

# BULGARIA



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# 1996

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# ALMANAC





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SOFIA PRESS AGENCY

BULGARIA



1991



SOFIA PRESS Agency  
Editorial Department "Information and Contacts"  
29 Slavianska St., Sofia 1000

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Layout and design: Vihra Stoeva



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#### **WITH THE COMPLIMENTS OF THE EDITORIAL DEPARTMENT**

The editorial department acknowledges with gratitude the tribute of everyone having taken part in the edition of the Almanac BULGARIA 1996. We express special thanks to the authors:

**Boyan Slavenkov, Grigor Popov, Dimitar Yontchev, Damyan Obreshkov, Diana Chepishcheva, Yordanka Blagoeva, Katya Vladimirova, Katya Ivanova, Lyudmil Nedeltchev, Lyudmil Dimitrov, Nikola Indzhov, Assoc. Prof. Neno Dimov, Plamen Bogoev, Simeon Bozhanov.**

We are grateful to the management and experts from the **NATIONAL STATISTICAL INSTITUTE**. Their professional cooperation attributes to the Almanac's credibility and up to date information.



## DEAR READER,

The **Almanac BULGARIA '96** of the Sofia Press Agency offers you up-dated information, facts and data about the situation of the Bulgarian society and state in the past 1995. To a certain degree they reflect the enormous trials of the country in the period of a total crisis, which coincides with the transformation of the social order. Most characteristic of the past period is the attempt to overcome the remains of the totalitarian system, to develop at all levels the processes of democratisation, to lay the foundations of a market economy. The well-developed countries have solved similar tasks in the course of many, many years. History did not provide such time to us, not because it wants to punish us for certain sins or because it truly believes that we have the opportunity to cope with the hardest difficulties. We are not guilty for the situation in which we are – let us even dare to suggest that history is guilty, placing us in the longest corridors towards progress. That is why we meet certain difficulties – because the distance to the aim we have to pass with much more labour and efforts, relying on our own ambitions not to remain always at the end and on our ability to learn from all, who have surpassed us. The Bulgarians possess these virtues; they have proven them and the summing-up of 1995 proves that.



Not having lost the attraction and beauty of its natural characteristics, the pride from its historical achievements and the confidence in its artistic qualities and making the difficult steps towards its revival, Bulgaria deserves the sympathy and confidence of its friends and partners. There exists no doubt that next year the country will have even further cause for this.

**Kolyo Georgiev**  
Sofia Press President,  
writer



## 13 CENTURIES BULGARIA

The Bulgarian state has been existing for 13 centuries now on the Balkan Peninsula which was a meeting place and melting pot of tribes and nations.

The Proto-Bulgarians migrated to what is today Bulgaria from the vast steppes of Asia and fought their place under the sun as a neighbour of the mighty Byzantine Empire. They inherited the civilisation and magnificent culture of the Thracian tribes. The tough streak of the Proto-Bulgarian military organisation and tenacity, the Slav unwarlike nature and attachment to farming and the ancient Thracian creative urge and innate artistic verve all went into the making of the Bulgarian nation.

681 AD when the Byzantine emperor Constantine IV concluded a truce with the Bulgarian khan Asparouh and undertook to pay an annual tribute is considered the birth date of the Bulgarian state in which Slavs and Proto-Bulgarians were brought together under the scepter of the khan. Pliska, a town in Northeast Bulgaria, became the capital of the new state.

Bulgaria added lands as a result of the pitched battles fought in wars with Byzantium in the time of the Bulgarian khans Kardam, Kroum and Omourtag and expanded south of the Balkan Mountains and north of the Danube.

The Bulgarians were converted to Christianity during the reign of prince Boris I. The conversion which took place in 865 took Bulgaria into the orbit of Christian civilisation and consolidated the rule of the feudal lords. With great diplomatic tact and maneuvering between the aspirations of the Roman Catholic and the Constantinopolitan Eastern Orthodox Church king Boris succeeded in having an independent Bulgarian church which was to play an important role in the life of the state for many centuries to come.

The brothers Cyril and Methodius who were born in Salonica invented an Old Bulgarian script in the latter half of the 9th century. The invention of a script in an age when Latin and Greek alone were used to write gave a powerful impetus to the country's cultural development. Clement, Nahum and Angelarius who were disciples of Cyril and Methodius were writers and teachers. Bulgaria became the real homeland of the Old Bulgarian script which was spread from here to other Slav countries, Serbia and Russia primarily.



Under king Simeon (893-927) Bulgaria expanded to the Black, Aegean and Adriatic Sea and became a key cultural factor in the Balkans. Simeon himself was one of the most educated men in his day. He graduated from the famous Magnaura School where he mastered classical Greek literature and philosophy. He was a patron of literature and arts. The 10th century when he reigned went down in Bulgarian history as the Golden Age of Bulgarian culture. Some of the early Bulgarian writers, John the Exarch, Cosmas the Priest, Monk Khrabr, worked in the new capital Preslav (near Pliska) where splendid palaces, churches and castles were built. Their writings made an apology of the Bulgarian letters and asserted the values of Christian religion.

The large-scale construction in the old capital Pliska and in the new capital Preslav, the crafts and monumental arts that flourished there with surviving traces to date are evidence of how rich the early Bulgarian civilisation was.

There was acute confrontation between the boyars and the high-ranking clergy, and the peasants who bore the brunt of war. The harsh controversies gave rise to the Bogomil movement that renounced the ruling class' modus vivendi. The Bogomils preached their religious and social views and produced prolific writings that were influenced by apocryphal works. In the 11th century the Bogomil movement had followers as far as Byzantium, Bosnia, France and elsewhere.

The early centuries of the newly created state in the Balkans saw a string of hostilities with the mighty neighbour, Byzantium. The Byzantine Empire's wars with the Bulgarian state continued with varying success till 972 when the Byzantine emperor John Tzimiskes declared Northeast Bulgaria a Byzantine province. Western Bulgaria persisted in its stiff resistance to the invaders. In the summer of 1014 with a record of many and fierce battles Basil II started a campaign against the Bulgarian king Samuil and took the Bulgarian 15,000 man strong army prisoners of war in the proximity of Mount Belassitsa. The emperor's cruelty was horrible: all the captives were deprived of their sight save one in every hundred who had one eye left to guide them. On seeing the blind soldiers the Bulgarian king Samuil got an apoplexy and died in 1014. Four years later, in 1018, the fortresses in the southwest part of the country surrendered after desperate defense and in the next two centuries Bulgaria was under Byzantine rule.

The heavy taxes that Byzantium imposed, the incursions of



tribes that lived on war booty like the Pechenegs, Uzi and Cumans and later the Tartars in North Bulgaria, and the crusades from the 11th century onwards devastated the Bulgarian lands. Rebellions broke out in many places and paved the way to the successful uprising of the Turnovo boyars Peter and Assen. In the 12th century they led the people between the Danube and the Balkan Range southwards and liberated territories one by one. In 1185 all Bulgaria was free. The Second Bulgarian Kingdom was established. Veliko Turnovo (in Central Bulgaria) was made the capital. King Peter IV (1185-1197) went down in Bulgarian history as one of the architects of the re-established Bulgarian state.

A few years after Kaloyan (1197-1207) who was also an able general fought a battle with the crusaders commanded by Baldwin of Flanders, defeated them at Adrianople and took Baldwin prisoner of war.

After Byzantine domination was overthrown, Bulgaria developed economically and intensified trade with Constantinople and Central Europe. The large-scale construction of cities, fortresses, bridges and palaces soon made Bulgaria an advanced European state. The new royal city Veliko Turnovo was a glorious sight on the picturesque hills Tsarevets and Trapezitsa with splendid palaces and churches surrounded by solid fortress walls. The 14th century was the heyday of literature which was composed by writers of the Turnovo school.

A most dramatic period for the Bulgarian state set in in late 14th century. With Islamic fanaticism and well organised armies Turkey took advantage of the feudal fragmentation of the Balkan countries and the contradictions between them and within them and conquered them. The rule was to last for some centuries. After long and stiff resistance Bulgaria surrendered to the Turks in 1396. That was the beginning of the worst period in Bulgarian history that was to last for five centuries (1396-1878).

The Turkish rule put a spoke in the wheel of the country's economic and cultural development. The Bulgarian intellectuals were exterminated; Bulgaria's relations with the other European countries were severed. Bulgaria, just like the other Balkan countries, became a rampart that checked the advance of the Asian invaders and Islam to the countries in Western Europe.

In the long period of bondage the struggle against the foreign



invaders evolved from personal vengeance to detachment movement to a well-knit countrywide revolutionary organisation. The revolutionary activity of the legendary patriots Rakovski, Levski, Karavelov and Botev to liberate the Bulgarian lands coupled with the efforts of the activists for church independence Neofit Bozveli, Ilarion Makariopolski and Alexander Exarch. The 1876 April Uprising in South Bulgaria was the climax of the people's resistance to the oppressors. The Turks suppressed it with unimaginable cruelty that shocked all Europe. However, the uprising showed the world that the Bulgarians were mature for freedom and that the old revolutionary slogan "Freedom or death" was their creed.

The Russo-Turkish War that went down in Bulgarian history as the War of Liberation regained Bulgaria's freedom in 1878. However, the shattered Turkish Empire left grave national and ethnic problems that reverberate even today. The Treaty of Berlin shortly after the war dismembered the newly liberated state into five parts: Dobroudja was given to Romania; Macedonia remained under the rule of the sultan; Eastern Roumelia was granted autonomy in dependency on Turkey; Pomoravia went to Serbia; and it was only the Principality of Bulgaria that became an independent state. On September 6, 1885 a resolute national effort and patriotic elan led to the unification of the Principality of Bulgaria with capital Sofia and Eastern Roumelia with capital Plovdiv into one Bulgarian state.

The Constituent Assembly, the first parliament of the country, opened on February 10, 1879 in Veliko Turnovo, the old Bulgarian capital. Preparations for the assembly were in the context of a fierce struggle between Russia and its western enemies, Austria-Hungary, Germany and Great Britain, for influence in Bulgaria. The assembly had two fighting factions: the Conservative Party ("the Party of the Elders") that stood for commercial and usury capital, and the Liberal Party that was a mouthpiece of the interests of the middle and petty owners who were the majority of the Bulgarian people.

The Constituent Assembly adopted the first constitution of Bulgaria, the Turnovo Constitution, which was one of the most democratic constitutions of the day. The First Grand National Assembly (that opened on April 17, 1879) approved prince Alexander Battenberg (1879-1886) to be the sovereign of Bulgaria. He was pursuing the interests of Austria-Hungary and was deposed on August 9, 1886 after a bloodless Russophile coup. In complaisance with Austria-Hungary again in July



1887 the Grand National Assembly put on the throne that Alexander had vacated the Austrian officer Ferdinand I Saxe-Coburg-Gotha.

The 19th century went down in Bulgarian history as the National Revival. In the very beginning of the century the Bulgarians opened the first grammar school and theater, produced the first grammar of the Bulgarian language and established cultural institutions, reading clubs, at the cost of incredible effort. The small towns of craftsmen on either side of the Balkan Range became centers of an active cultural life and cradles of education. Rich merchants sent bright boys to be educated abroad; talented painters painted the new Bulgarian temples and monastery churches. The first new classical languages high school was opened in the town of Lom just three months after the liberation from Turkish rule.

The 1890s and the first decade of the 20th century were years of economic effort and prosperity. The Bulgarian goods and Bulgarian gold lev acquired a high value on the European markets; crafts evolved into modern industries. Trade relations with Russia, Great Britain, Austria, France and Germany strengthened. Modern sea ports were built in Varna and Bourgas; protectionist legislation was passed for Bulgarian goods. The first Bulgarian exposition which demonstrated the growing production in the country opened in Plovdiv in 1892. The Bulgarian University in Sofia and a High Art School were instituted; the Bulgarian Academy of Sciences which had been called the Bulgarian Literary Society and based in neighbouring Romania in the time of Turkish rule was relocated to Bulgaria.

Over that period Bulgaria struggled to establish itself in continuous opposition of the great powers that tried to direct its domestic policy to their own benefit. Russophile and Russophobe parties alternated in power. Often contradictions between them escalated into violence and bloodshed. The great Bulgarian politician Stefan Stambolov who took office in 1887 persistently upheld the independence of the Bulgarian state. Stambolov did a lot to strengthen Bulgarian statehood, improved relations with Turkey and Serbia, expanded the influence of the Bulgarian church in Macedonia. In 1895 his political enemies massacred him in the center of Sofia. That assassination unleashed political infighting in the country and wars.

In the summer of 1903 the population in Macedonia that had remained under Turkish rule took arms and the suppression of



the uprising was a bloodbath. In 1908 Alexander Malinov's government proclaimed Bulgaria's sovereignty. In 1912 Bulgaria formed an alliance with Serbia, Greece and Montenegro to declare war on Turkey to liberate Macedonia. The Bulgarian troops fought their way to the borders of Istanbul and liberated large Bulgarian territories. Turkey pleaded for peace. In 1913 Bulgaria, Serbia and Greece fought between themselves to divide Macedonia. Bulgaria was defeated in that war and lost the territorial gains.

Bulgaria joined the Central Powers – Germany and Austria-Hungary – in World War I and was dramatically defeated. Under the pressure of the victor nations and popular unrest (in the autumn of 1918 a Soldiers Mutiny broke out in Bulgaria) king Ferdinand abdicated. King Boris III (1918-1943) ascended the throne.

In the autumn of 1919 Neuilly, a suburb of Paris, was the scene of the cruel dismemberment of Bulgaria. The repercussions can still be felt today. In the Interwar Period and during World War II Bulgaria was rent by acute infighting and political conflicts which often went to the extreme. Alexander Stamboliiski's Agrarian government that came to power with the support of peasant Bulgaria in 1920 and started democratic reforms affecting the interests of big landowners, army officers and the clergy was deposed by a coup on June 9, 1923. The prime minister was assassinated in his country house in the village of Slavovitsa. In the autumn of 1923 an uprising broke out in many villages and towns and went down in history as the September Uprising. Bitter unrest and terror and bloodbaths that followed weakened the country.

A military coup was perpetrated on May 19, 1934. Political parties were disbanded and king Boris III established authoritarian regime which continued till his death in August 1943.

On the eve of World War II the Bulgarian politicians tied the country to fascist Germany and on March 3, 1941 Bulgaria signed the Tripartite Pact and let German troops cross its territory. Yet the Bulgarian army was not sent to military operations against Russia. Large-scale popular action opposed the deportation of Bulgarian Jews from the country and saved them from the nazi death camps.

With the Soviet Red Army already in Romania, at the beginning of September 1944 a new government under the Agrarian



leader Konstantin Mouraviev announced return to democracy, cessation of state of war with the Allies and broke diplomatic relations with Germany. But before its envoy could negotiate an armistice with the Allies, the Soviet Union declared war on Bulgaria. On September 9, with the Red Army advancing in Bulgaria without any resistance offered, the Mouraviev government was overthrown by a coup d'état. This date proved a watershed in modern Bulgarian history.

On September 9, 1944, a government of the Fatherland Front including Communists, Agrarians, Social Democrats and members of Zveno, was formed. Bulgaria took part as a co-belligerent in the final phase of World War II, casualties numbering 30,000. People's Court was set up for trying all persons responsible for the country's siding with the Third Reich, reprisals and fascist activities. The trials of over 11,000 persons (of whom 2700 got death sentences) were preceded by unlawful executions. The Soviets in fact had become complete masters of the situation. The Communist Party grew rapidly reaching soon quarter of a million members, and became dominant force on Bulgarian political arena. In September 1946 a referendum was held in which 95 per cent cast votes for republic. Two months later Georgi Dimitrov, who had come from Moscow, became head of Communist dominated government.

In 1947 nationalization of industrial property, banking, transport, mining was carried out. Opposition was crushed by means of judicial and extra-judicial reprisals. Finally, all "bourgeois" parties were disbanded, save a group of subservient BANU functionaries as a facade of presumably "two party" system. At the 5th congress of the BCP (1948), Georgi Dimitrov declared its domination and announced that the country had to build socialism in historically shortest terms.

What followed in the next decades was more or less orthodox realization of the Soviet model. Bulgaria experienced massive industrialization with emphasis on heavy industry. Before World War II, Bulgarian industry contributed only 17 per cent of net national income. As a result of heavy industrialization programme in 1985 about 60 per cent of the national income was generated in the industrial sector, and only 13 per cent in agriculture. But new industrial enterprises, gigantomaniac in some cases, were economically ineffective and required enormous state subsidies. By the mid-1980s, the potential of growth of such type of economy was exhausted, and foreign loans and import of Western technologies did not help much. The only



lasting result was piling of useless industrial equipment and accumulation of huge (by Bulgarian standards) debt of \$ 11 billion, mostly to Western European and Japanese banks.

Since the early 1950s agriculture was subjected to “mass collectivization”. Land was taken from the peasants, and they were herded in cooperative farms. These were also ineffective, and required large subsidies from the state budget.

In political terms Bulgaria had not seen many changes during the 45 years of Communist rule, since the system remained principally unmodified and inert. After denunciation of Stalin’s “cult of personality” Todor Zhivkov was made first secretary of the party mostly because of obvious mediocrity. He outmaneuvered potential rivals, and assumed enormous power. Under his rule, Bulgaria was unquestionably loyal to Moscow, and was unaffected politically or ideologically by the upheavals in Hungary in 1956, in Czechoslovakia in 1968 or in Poland in 1980. Despite political reprisals and stifling atmosphere of police surveillance, there were less protests or dissidence. Although standard of life was low, socialism had an appeal for the mass of population with guaranteed full employment, free medical service, price controls, social benefits, and even slackened work discipline, and corresponded to primarily egalitarian set of mind.

Todor Zhivkov, who by the late 1980s was one of the longest ruling Communist dictators and had outlived five Soviet leaders despite loyalty to Moscow, was lukewarm to Gorbachev’s perestroika. That is why legal opposition first took form in the Club of support of glasnost and perestroika founded by Dr Zhelev and other intellectuals in the winter of 1988. Zhivkov’s regime was discredited internally and before the world by the counterproductive results of the “regeneration campaign”, that is, forced Bulgarianization of ethnic “Turks by replacing their Turkish-Arabic names with Christian-Slavonic, which started in 1984-1985. When Zhivkov opened the border in 1989, the exodus of about 300,000 Turks followed. Seeing that he had lost confidence of Moscow, Mr Zhivkov’s colleagues from Politburo of the BCP, deposed him on November 10, 1989. This event, whose significance is disputed by some analysts and historians, falls more or less, into the pattern of revolutions in Eastern Europe that swept away Communist regimes and put an end to the Soviet bloc.



## CHRONICLE OF EVENTS 1995

- January 12** ■ First session of the newly elected 37th Ordinary National Assembly. Academician Blagovest Sendov from the Parliamentary Group of the Democratic Left is elected Speaker. His five deputies are representatives of all groups in Parliament.
- January 14** ■ The Bulgarian Socialist Party and its parliamentary partners take the decision to form a cabinet with Jean Videnov prime minister and ministers only from the red coalition. On January 17 Bulgaria's President Zhelyu Zhelev nominates BSP leader Jean Videnov to form a government.
- January 19** ■ French Ambassador to Bulgaria Jean-Marie Daillet invites for the sixth time the 12 Bulgarian former dissidents to an already traditional breakfast.
- Georgia's President Edouard Shevarnadze makes a 10-hour visit to the Republic of Bulgaria at the invitation of President Zhelyu Zhelev. A total of 14 treaties and agreements are signed during the visit.
- January 20** ■ Reneta Indjova, head of the caretaker government, submits her government's report to President Zhelev and the media. She refuses to report to the newly elected Parliament.
- January 24** ■ President Zhelev goes to Krakow (Poland) to attend the celebration of the 50th anniversary of the liberation of the Auschwitz nazi death camp inmates. In Warsaw he meets the presidents of Albania, Slovenia, Lithuania, the Czech Republic and Poland and the King of Norway Harald V.
- January 25** ■ By secret ballot with 138 votes for and 91 votes against the MPs elect Jean Videnov prime minister of Bulgaria. His cabinet is voted en bloc.
- February 1** ■ Bulgaria becomes an associated member of the European Union.
- February 6** ■ Bulgaria's Minister of Foreign Affairs Georgi Pirinski visits Brussels while the foreign ministers of the EU countries sit in session. He meets the general secretaries of the WEU and NATO and the President of the European Parliament.
- February 12** ■ President Zhelyu Zhelev pays an official visit to the USA accompanied by three ministers of the socialist government. Bulgaria's President meets US President Bill Clinton, Secretary of Defence William Perry and Secretary of State Warren Christopher. The topics of the talks are the conflict in the former Yugoslavia, the losses that Bulgaria sustains because of the Yugo embargo, membership in NATO and the possibilities for US investment in Bulgaria.
- February 14** ■ Todor Slavkov (grand-son of ex state leader Todor Zhivkov) who is accused of gang rape in 1988 is extradited from Switzerland in response to the Chief Prosecutor's Office.
- March 10** ■ Bulgaria's President Zhelyu Zhelev attends the Social Development world summit in Copenhagen. The concluding documents



place Bulgaria in the group of countries with economies in transition, i.e. eligible for assistance like the underdeveloped countries.

- March 20** ■ Bulgaria's Foreign Minister Georgi Pirinski attends the conference on stability in Europe. The document signed by the foreign ministers of the 52 OSCE member states incorporates 12 proposals made by Bulgaria and referring to good-neighbourliness and co-operation between the European countries.
- March 26** ■ The Schengen Agreement on the removal of the borders between the EC member countries becomes effective. The treaty deprives Bulgaria of visa regime facilitations with European Community countries.
- March 30** ■ Greek Foreign Minister Carolos Papoulyas pays an official visit to Bulgaria. He talks with Premier Jean Videnov on facilitating the visa regime with Greece, the support of Athens to delete Bulgaria from the Schengen list, the problems around the river Mesta waters and the Bourgas-Alexandroupolis pipeline.
- April 2** ■ A delegation led by Bulgaria's President Zhelyu Zhelev tours the Asian-Pacific region. In South Korea Dr Zhelev meets his counterpart Kim Yon Sam and makes a speech in Parliament. A cultural exchange agreement is signed. In Ulan Bator Dr Zhelev meets Mongolia's President Punsalmagiin Ochirbat and signs a Treaty on Friendly Relations and Co-operation. On the way to Bulgaria at Tashkent Airport Dr Zhelev speaks with Uzbekistan's Premier about the coming visit of President Islam Karimov to Bulgaria.
- April 7** ■ A programme on co-operation in culture and a legal assistance treaty in penal cases is signed during the visit of China's Foreign Minister Qiang Qizheng to Sofia.
- April 9** ■ The Radical Democratic Party splits at the 27th congress. The group led by Alexander Yordanov remains in the Union of Democratic Forces; the group led by Dr Kiril Boyadjiev walks out of the blue coalition.
- April 10** ■ Eight agreements on economy, transport and justice and a treaty on friendship and co-operation are signed during the visit to Bulgaria of government delegation from Armenia led by President Levon Ter-Petrosian.
- April 20** ■ A debt-environment swap agreement is concluded in Sofia by Deputy Finance Minister Svetoslav Gavriiski and the representative of the Swiss Office for Central and Eastern Europe Daniel Schtaufeger. Bulgaria commits to invest 20 million CHF in environmental protection within a 4-year period.
- May 5** ■ Parliament approves the 1995 budget.
- May 9** ■ President Zhelyu Zhelev and Premier Jean Videnov attend the celebrations in Moscow to mark the 50th anniversary of victory over fascism together with state and government leaders from dozens of countries.
- May 18** ■ A total of 17 documents, including gas and oil partnerships,



agreements on customs co-operation and nuclear power are signed during the visit of Russia's Prime Minister Victor Chernomyrdin to Bulgaria. In a declaration Chernomyrdin and Videnov express their joint position on the improvement of trade.

- May 21** ■ Bulgaria's ex head of state Todor Zhivkov who has been under house arrest for five years leaves the capital for the first time with permission from the Chief Prosecutor's Office to attend the celebration of the centenary of the Zarya reading club in his native town of Pravets.
- June 3** ■ For the first time Bulgaria is a host of naval exercises of the Partnership for Peace NATO Programme. The NATO naval commander in South Europe Admiral Mario Angeli watches the exercises in Varna. The North Atlantic Treaty Organisation grants 5 million USD to Bulgaria for programme exercises.
- June 17** ■ John Atanasoff, the inventor of the computer, a scientist of Bulgarian extraction, dies at the age of 91. Bulgaria officially recognised him as the "father of the computer" only in 1970, thirty years after his invention.
- June 27** ■ In Cannes Bulgaria's President Zhelyu Zhelev attends the meeting of the 15 EU states and the 11 associated partners. The 15 states allocate 8.7 billion USD to the countries willing to join the EU to be absorbed in the five years between then and the year 2000. Further, the 15 EU states make this financial assistance conditional on the elimination of the vestiges of centralised economy and recommend to harmonise their legislation to EU countries law.
- June 29** ■ Azerbaidjan's President Geidar Aliev and Dr Zhelyu Zhelev sign a Treaty on Friendship and Co-operation during Aliev's official visit to Bulgaria.
- July 1** ■ Victims of financial pyramids revolt in Varna. An initiative committee warns the government they will resort to extreme measures to recoup their deposits. On September 24 the initiative committee sends a complaint to the European Commission of Human Rights with the Council of Europe.
- July 4** ■ Turkey's President Suleiman Demirel arrives on an official visit to Bulgaria. He and President Zhelyu Zhelev discuss a transport corridor to be built between the Black and Adriatic Sea, Bulgaria's membership in NATO and the possibilities for Turkish investment in Bulgaria. Mr Demirel asks Sofia to assist in the anti-terrorist effort.
- July 12** ■ In his speech in Parliament on the occasion of Bulgarian Constitution Day President Zhelyu Zhelev warns that the party state may come back to life, claims that the Bulgarian Socialist Party wages a war on him and is hooted by MPs from the Left.
- July 14** ■ STASI's top intelligence officer Marcus Wolf visits Bulgaria. The visitor delivers a talk "Intelligence Service and the 21st century" and has a series of meetings.
- August 1** ■ The leaders of the Bulgarian Socialist Party, Alexander



Stamboliiski Bulgarian Agrarian Party and Political Club Ecoglasnost agree on joint mayors' ticket in the coming elections in the autumn.

- August 6** ■ A total of 51 Bulgarian rangers leave for Fort Polk, Louisiana, USA for the Joint Contribution'95 military exercises till August 28 within the framework of the NATO Partnership for Peace Programme. Their performance is excellent.
- August 10** ■ President Zhelev signs a decree fixing the date of local elections (mayors and municipal councillors): October 29.
- August 11** ■ Fourteen soldiers from a Building Corps unit die in a road accident on the Ring Road in Sofia. August 15 is a day of national mourning. For the second time after the death of soldiers in the river Vurbitsa in 1990 black banners are hung in Bulgaria.
- Bulgaria's Premier Jean Videnov opens the 7th national rally of Bulgarian folk art Koprivshtitsa'95. The rally is attended by Academician Blagovest Sendov, Speaker of Parliament, ministers, diplomats and MPs. In the course of three days 17,000 folklore fans and connoisseurs sing, play and dance.
- August 17** ■ The UN Development Programme Annual Report places Bulgaria 65th on a list of 174 countries and thus Bulgaria is dropped out of the group of highly developed states to join the group of developing countries.
- August 25** ■ The foreign ministers of Bulgaria, Greece and Romania who meet in Ioannina, Greece, sign a final declaration on stability in the Balkans and Eastern Europe. The meeting is not particularly productive.
- September 5** ■ Spain's Prime Minister Felipe Gonzalez arrives on an official visit to Bulgaria at the invitation of Bulgaria's Premier Jean Videnov. During his visit Mr Gonzalez meets President Zhelev and assures him Spain will support Bulgaria's application to NATO and raise the issue of facilitating the access of Bulgarian citizens to the Schengen Agreement countries. Agreements are signed: on mutual protection and encouragement of investment and on the legal status of the cultural centres to be opened in Sofia and Madrid.
- September 7** ■ During his visit to Bulgaria Russia's Foreign Minister Andrei Kozyrev signs a consular convention and a work plan on consultations between the two foreign ministries with Bulgaria's Foreign Minister Georgi Pirinski. The two ministers discuss bilateral economic relations, the Straits regime in the Black Sea and the conflict in Bosnia. Mr Kozyrev also meets President Zhelev. Sofia and Moscow continue to differ on the use of force by NATO in the former Yugoslavia.
- September 8** ■ Rover plant is opened in Varna to re-start automobile industry in Bulgaria. The plant is the largest Western investment in Bulgaria. It is a partnership of the British Rover and the Bulgarian Daru which is the distributor of BMW.



- September 12** ■ Ali Agca who in May 1981 attempted to kill Pope John Paul II makes a sensational statement: "The CIA forced me to talk about a Bulgarian connection" and adds that he had concocted the implication of Bulgaria in the attempted assassination on the Pope.
- September 21** ■ The ambassadors of the G-7 countries and the EU Ambassador in Bulgaria serve a demarche against the commissioning of Unit 1 of Kozlodui nuclear power plant. They claim it constitutes a threat to nuclear safety in the Balkan region. The Bulgarian government does not respond to this diplomatic move.
- September 22** ■ By secret ballot 130 out of 232 MPs vote down the UDF's first vote of no confidence of Prime Minister Jean Videnov. 102 support the vote of no confidence. No abstentions. The opposition's pretext is the death of the 14 soldiers in the crash on August 11, 1995 and the crime problems.
- September 26** ■ Bulgaria's Premier Jean Videnov leaves for New York to attend the UN General Assembly's 50th jubilee session. In his speech at the GA he voices Bulgaria's readiness to participate actively in the post-war reconstruction of Bosnia and cites the losses that the UN sanctions have incurred on Bulgaria. Mr Videnov meets UN Secretary General Boutros-Ghali and speaks with him about the situation in the Balkans.
- October 2** ■ US Assistant Secretary of State Richard Holbrooke pays a short working visit to Bulgaria. He assures Bulgaria's Foreign Minister Pirinski he will intercede with the White House to make sure Bulgaria is not omitted from the post-war reconstruction plans for the former Yugoslavia. With Bulgaria's Head of State Mr Holbrooke discusses Bulgaria's membership in NATO. Dr Zhelev says he is in favour of joining NATO even if nuclear arms and foreign troops are to be deployed in Bulgaria.
- October 9** ■ Hungary's President Arpad Gyontz arrives on an official visit to Bulgaria. At the meeting with his Bulgarian counterpart he insists that Bulgaria should pay Hungary the 86 million transferable roubles debt leaving the modes of payment to be agreed on before the end of the year. Settlement is one of the conditions for Bulgaria to join the Central European Free Trade Area (CEFTA) and the Central European Initiative (CEI). Agreements on plant and veterinary protection are signed.
- October 11** ■ The Patriarch of the Bulgarian Orthodox Church Maxim starts a six-day visit to Serbia. In Belgrade he and his Serbian counterpart Pavle serve mass together in St Sava, the biggest church in the Balkans. In Bosilegrad the Patriarch meets countrymen and ends his visit with vespers in the Church of Virgin Mary in the presence of Patriarch Pavle.
- October 17** ■ The first train of the Sofia Underground has a pilot run. The ground was broken in 1979 and construction spanned the term of office of seven mayors of Sofia.
- October 21** ■ President Zhelyu Zhelev leaves for New York to attend the jubilee session to mark the 50th anniversary of the foundation of the UN. During his stay there he attends a solemn ceremony at the



Rodet Shalom synagogue and is presented the ritual chandelier Hanukkah which is a symbol of the survival of the Jews. From the rostrum of the General Assembly Dr Zhelev speaks about Bulgaria's contribution to the UN, mentions the economic difficulties caused by the Yugo embargo and insists that Bulgaria should participate in the post-war reconstruction of Bosnia and Herzegovina.

■ On the following day the presidents of Bulgaria, Albania, Turkey and Macedonia sign a declaration on a transport East-West corridor in the Balkans (Bourgaz-Durres). The 1 billion dollar worth project includes the construction of motor- and railways and communications between the Albanian and Bulgarian port.

- October 23** ■ The Third Ministerial Conference "Environment for Europe" opens under the patronage of Bulgaria's Premier Jean Videnov and with Vice Premier Roumen Gechev chairing it. The key topic is East-West co-operation in the solution of environmental problems in Central and Eastern Europe. Fifty representatives of European ecological parties and politicians from 20 states and some 200 delegates from non-governmental ecological organisations from 34 counties in Europe and the USA attend.
- October 26** ■ The European Parliament passes a resolution submitted by the Bulgaria-EU Committee to delete the country from the black list of visa regime with 305 yes votes, 20 no votes and 2 abstentions.
- October 29** ■ Local elections are held. First round returns: Bulgarian Socialist Party 199 mayors, Union of Democratic Forces 3 mayors, Movement for Rights and Freedoms 9, Popular Union 1, three are independent. Second round is scheduled for November 12.
- November 6** ■ Bulgarian delegation led by President Zhelev attends the funeral of Israel's assassinated Prime Minister Itzhak Rabin. Dr Zhelev lays a wreath of white, green and red flowers at Rabin's grave on behalf of the Bulgarian people.
- November 12** ■ Second round of local elections. Returns: BSP 75 mayors, UDF 11, Popular Union 11, MRF 16, Bulgarian Business Bloc 2, 12 are independent. Final election results: BSP 195 mayors, UDF and Popular Union 16 severally or jointly, MRF 26, BBB 2, Bulgarian Communist Party 1; 15 are independent.
- November 16** ■ In Moscow Bulgaria's Vice Premier Kiril Tsochev signs 5 contracts on supplies of parts and units for the airforce during the second session of the intergovernmental commission for special equipment. The contracts solve the problem of the payment of 48 million USD out of the 100 million that Russia owes to Bulgaria. During the session Kiril Tsochev negotiates a new ten-year agreement on the supply of 3.75 billion cubic meters of gas.
- November 18** ■ Bulgaria's President Zhelyu Zhelev announces his intention to run for a second term of office at the presidential elections in December 1996 counting on the support of all democratic forces in the country.
- November 20** ■ Greek President Kostas Stephanopoulos arrives on an official



visit to Bulgaria. The presidents of Bulgaria and Greece discuss the opening of border check points, the support of Greece to Bulgaria's future membership in European and Euro-Atlantic structures, the problem of the two countries participation in the post-war reconstruction of the FR Yugoslavia. Mr Stephanopoulos meets Premier Videnov, visits Plovdiv where he meets Greek students and businessmen and delivers a speech in Parliament.

■ Thirty-three radio journalists from the Horizont programme of the Bulgarian National Radio send a letter of protest to President Zhelev and the Parliamentary Radio and Television Committee. They claim that the state radio is subjected to censorship, diktat on programme and manipulation in favour of the Government. They accuse their bosses of "continual direct administrative interference". On November 24 the 33 journalists are invited to meet President Zhelev who commits to the establishment of a Freedom of Speech Foundation.

**November 21** ■ A congress of the Bulgarian Football Union elects Ivan Slavkov, President of the Bulgarian Olympic Committee and member of the International Olympic Committee, President of the Union.

**November 26** ■ After the peace agreement on Bosnia and Herzegovina concluded in Dayton becomes effective, the Government adopts a decree to remove bans, restrictions and special measures regarding the Yugo embargo as enforced by the Council of Ministers by four documents between 1992 and 1994. The decree is adopted in response to the two UN resolutions of November 22 that suspend the sanctions against the FR Yugoslavia. However, the cabinet announces it will strictly continue to abide by the order of 1991 that provides for an embargo on arms, munitions and military equipment supplies.

**December 1** ■ With 213 yes votes and 1 no vote Parliament supports the Government's decision to apply officially for accession to the European Union. At the EU summit in Madrid on December 16 Bulgaria's Foreign Minister Georgi Pirinski serves his Spanish counterpart Javier Solana, President of the EU Council of Ministers, Bulgaria's application to join the European Union. Bulgaria's President Zhelyu Zhelev attends the ceremony.

**December 4** ■ A Bulgarian government delegation led by Bulgaria's President Zhelyu Zhelev arrives on an official visit to Italy. During his stay Dr Zhelev meets his Italian counterpart Oscar Luigi Scalfaro. Bulgarian integration in European structures and NATO is the central topic. Pope John Paul II honours the President with a 30 minute audience. The Pope accepts the invitation to visit Bulgaria.

**December 11** ■ During his official visit to the UK Bulgaria's Foreign Minister Georgi Pirinski and his British counterpart Malcolm Rifkind sign an agreement on the mutual encouragement of investment. Mr Pirinski talks with British Secretary of State for Defence Michael Portillo on European security issues and the Bosnia and Herzegovina peace agreement. Mr Pirinski talks with British opposition leaders about Bulgaria's future membership in the European Union.

■ In Belgrade Bulgaria's Vice Premier Kiril Tsochev and FR



Yugoslavia's Minister of Trade Dzordze Siradovic sign an inter-governmental agreement on trade and economic co-operation by which the two states grant each other the most favoured nation status in trade.

**December 12** ■ Great Britain enters Bulgaria in a White List of countries free of political witch-hunt. London ceases to grant political asylum to Bulgarians as the country has become democratic.

**December 15** ■ The cabinet submits the 1996 State Budget Bill for parliamentary debate. First reading passes on December 21 with 120 yes votes.

**December 17** ■ Following the dissension in the Bulgarian Orthodox Church from 1992 onwards the seventh council of prelates reinstates the excommunicated Pankrati as bishop of the Stara Zagora bishopric; bishop Kalinik recovers his monastic status; pardon is refused to bishop Pymen.

**December 18** ■ During his official three-day visit to Lisbon at the invitation of his Portuguese counterpart Mario Soares Dr Zhelev meets the Speaker of Parliament Antonio Cortileiro and Premier Antonio Guterres. With Admiral Nuno Matias, commander of the Ibero-Atlantic NATO forces, the Bulgarian President discusses European security and enlargement of the Union to the East. Dr Zhelev meets the government of the Portuguese Chamber of Industry. Before departure the presidential couple visit the Queen Mother Ioanna of Savoy in Estoril.

**December 22** ■ In Sofia Greek Foreign Minister Carolos Papoulyas and Bulgarian Foreign Minister Georgi Pirinski sign an agreement on the use of the water of the river Mesta by virtue of which Greece is free to use 29% of the annual flow. Three new border check points are to be opened by 1998 under another agreement. The two ministers talk about the possibility of a conference of all Balkan states. They come to an agreement on the construction of the Bourgas-Alexandroupolis pipeline. Mr Papoulyas believes a three-party agreement with Russia can be signed soon.

■ Bulgarian Social Democratic Party Chairman Peter Dertliev and Social Democratic Party Chairman Ivan Kourtev form a social democratic alliance.

**December 27** ■ A presidential decree of Dr Zhelev releases Stoyan Ovcharov, ex Minister of Economy and Planning, who in 1992 was given a 9-year prison term for granting 200,000 leva to heirs of persons killed in the anti-fascist resistance.



## PEOPLE OF THE YEAR

### Arts and Culture

**Painting** SVETLIN RUSEV – Professor in the Bulgarian Academy of Fine Arts, nominated by the International Academy of Arts for 1995.

**Opera** ALEXANDRINA MILCHEVA – Defined by opera critics as the most Italian of Bulgarian mezzo-sopranos, nominated by the International Academy of Arts for 1995.

**Films** Awards of the Union of Bulgarian Film Makers for best film masters for 1994 – 1995:

IVAN NICHEV – producer – for the film “Love Dreams”;

KONSTANTIN PAVLOV – script-writer – for the film “Something in the Air”;

VENEC DIMITROV – cameraman – for the film “La Donna e Mobile”;

PETER POPIORDANOV – actor – for his wholesome work in the film “Border”;

KATIA PASKALEVA – actress – for her part in the French-Bulgarian film “Rolling Stones”.

**Video** IORDAN DETEV – Producer, script-writer and composer, awarded the Grand Prize at the 13th World Video Festival in Florida, USA, for his video production “Bogoroditsa Odigitria”.

**Poetry** TANIA KOLIOVSKA – Awarded the Grand Prize for unpublished poetry at the European Poetry Festival “Antoaneta Dragu” in Rome.

**Translation** IVAN OBOV – Awarded the Silver Medal of the French Academy of Literature for his translation of Anton Donchev’s book “A Time of Divisions” into French.

### Journalism

**Press** VALERIA VELEVA – Reporter of the year from the “Troud” newspaper.

**Radio** ASEN SIRAKOV – A journalist of the “Horizont” programme of the Bulgarian National Radio.



**Television** ELENA IONCHEVA – Winner of the award for the third consecutive time, anchor of the “Reporter” programme of the Bulgarian National Television.

**Photoreport** JIVKO ANGELOV – from the “Capital” newspaper.

## **Economics and Society**

ATANAS PAPARIZOV – Minister of trade and foreign economic cooperation, nominated by the Union “Produced in Bulgaria” for his contribution as chairman of the Parliamentary Economics Commission towards the adoption of the greatest number of economic laws.

CHAVDAR KUNCHEV – Chairman of the Board of Directors and General Executive Director of Bulbank, chosen Banker of the Year by the “Atanas Burov” Foundation. Bulbank was chosen for Bank of the Year by the Association of Commercial Banks.

PROLET STOEVA – President and designer of Bulgaria’s first private company for hand-made knitwear “Poli-Stoev”, nominated for Business Lady of the Year.

PLAMEN GRAMATIKOV – Physicist from Blagoevgrad, nominated in the Who’s Who of World Science for his work on artificial ageing of wines and changes in the structure of water.

COLONEL VLADIMIR IONEV – Head of the best Criminal Police squad at the Sofia Municipal Police Directorate, nominated Policeman of the Year.



# 1. FOREIGN POLICY

## LEADING NATIONAL INTEREST IS THE INTEGRATION OF BULGARIA WITH EUROPEAN AND EURO-ATLANTIC STRUCTURES

**T**he preservation of the independence, sovereignty and territorial wholeness of Bulgaria, the maintenance of peace and stability in the region and the evasion of eventual conflicts as well as the integration of the country with European and Euro-Atlantic structures are the leading national interests upon which, in the Bulgarian society, there definitely exists a consensus. They are also present in the basis of Bulgaria's foreign policy in recent years.

### • Priorities

They are formulated clearly, realised consecutively and have a lasting character. Besides the integration of Bulgaria in the European and Euro-Atlantic structures and the aim towards regional stability through cooperation, they also include development of the regional infrastructures as well as activating of the dialogue and cooperation with the USA, Russia, the Western European countries and all neighbours in the region on the basis of a pragmatic, balanced policy.

The conflict in former Yugoslavia had a serious reflection on the situation on the Balkans during the last few years. It created a danger for the destabilisation in the region and led to stagnation in the attitude of some of the Western partners towards the Balkan countries, including Bulgaria. The imposed on

Serbia and Montenegro sanctions caused substantial direct and indirect losses to the Bulgarian economy.

Although countries like Bulgaria proved that they can be an important factor for the stability in the region, they were treated like zones where a greater amount of risks exist and this stopped the potential investors. For Bulgaria, as well as the other associated to the EU countries from the Balkans, the region to be separated from the European integration processes and the argumentation that it is better first the conflict to end and to wait for the final stabilisation were greatly alarming.

During 1995 Bulgaria continued to maintain its policy of noninterference under any form in the conflict. This policy found its practical expression in the initiative for a mutual declaration on the problem of the crisis and sanctions of the Foreign Ministries of Bulgaria, Greece, Moldova, Romania and Ukraine /Athens, April 14th-15th 1995/. It became the basis for the later initiatives of the Bulgarian side – steps in front of the Secretary General of the UN for the overcoming of the consequences from the imposed Yugo sanctions and a letter to the President of the Conference on Security and Cooperation in Europe /CSCE/. In them concrete proposals with which to lessen the specific economic hardships caused to third countries by the Yugo sanctions were formulated.



## • **Stability Through Cooperation**

In his speech in front of the 50-th Jubilee session of the General Assembly of the United Nations Organisation the Prime Minister of Bulgaria stated the necessity to develop the integration processes of all-Balkan cooperation without waiting for the conflict to end. For this aim it was proposed to organise a meeting of representatives from countries from Central and Eastern Europe.

At the seminar of the North Atlantic Assembly, which was held in the middle of June 1995 in Sofia, Bulgaria launched a new initiative for regional stability, security and cooperation. Its essence was to reach political stability and regional security through the building of a regional infrastructure in the fields of transport, telecommunications and energy.

The Bulgarian concept for regional stability found a balanced formula at the conferences in London and Brussels, for the application of the agreements from Dayton, Ohio /December 1995/ as well as at the Paris conference for the official signing of the peace treaty /December 13th-14th 1995/. The concept once again stressed the main standards of good-neighbourliness, the existing internationally accepted boundaries and the principles from Helsinki and the Paris chart. It insisted on the development of the transboundary cooperation in order to guarantee free movement of goods, services, capitals and people as well as the cooperation among the local governments. It also visualised development and modernisation of the transboundary, telecommunicational and energy infrastructures and their connection with the trans-European network in order to overcome the stagnation and to achieve economical enlivening, to broaden the trade contacts, to attract adequately structured foreign investments from the European Union /EU/, Central European Zone for Free Trade /CEZFT/ and the Black Sea Economic

Cooperation /BSEC/. It also included cooperation in the social and humanitarian spheres, the founding of democratic institutions and a civil society in the conditions of political stability and economic dynamics.

Important stress in this respect was given to the building of the oilpipe Bourgas-Alexandropolis, to the delivery of gas and to the development of the international gas-carrying system through Bulgaria and Turkey, Greece, Macedonia and Serbia as well as the development of transport corridors East-West and North-South of the trans-European infrastructural network.

## • **Faster Integration with the European Union**

The integration with the European Union /EU/ is a structural defining route in the Bulgarian foreign policy and plays an important role in its interior policy as well. The European agreement between Bulgaria and the EU is in effect since February 1st 1995 and from this date the country officially has an associated membership status to the EU.

In Bulgaria there already exists an inner mechanism for work towards integration with the EU which, together with the good mutual interrelations between the civil and legal powers, was highly estimated by the EU. With the holding of the first sessions in 1995 of the Council for the Association Bulgaria-EU /Brussels, May 29th/ and the Committee for Association /Sofia, November 9th-10th/ as well as the foundation of a Mutual Parliamentary Committee /Sofia, September 6th-8th/ the whole institutional mechanism as was considered by the European agreement was created.

Due to Bulgaria's initiative the contacts on a high level with representatives of the EU were activated. Bulgaria participated in all the meetings in the framework of the structured relations with the EU and for



1995 the main questions were that of peace, stability and cooperation in the region in the context of an all-European integration. A substantial place was given to the interrelations between Bulgaria and the EU in the framework of the London, Paris, Bonn and Brussels conferences on former Yugoslavia, to the creating of a Black Sea Energy Centre in December in Sofia, to the preservation of environment /widely discussed at the Third Meeting of the Ministers of Ecology in Sofia/, to nuclear safety, to cooperation in the spheres of jurisdiction and internal affairs.

In 1995 Bulgaria joined four initiatives and participated in 24 mutual declarations of the EU. An important place was given to the cooperation with the other countries with an associated membership status to the Central European Initiative /CEI/.

As a result of the policy, aiming the faster integration of Bulgaria with the EU, on December 16th 1995 during the meeting of the European Council in Madrid Foreign Minister Georgi Pirinski, in the presence of president Dr Zhelev, handed to the Spanish presidency the official plea of Bulgaria to become a full member of the European Union.

### **• Bulgaria and the Western European Union**

Bulgaria effectively utilises the opportunities which the status of an associated member provides. It actively participated together with the 27 member-countries of the Western European Union /WEU/ in the analysis of the new conditions for European security and as a result a General Concept was accepted.

During the meetings of the Prime Minister and the Foreign Minister with the Secretary General of the Western European Union Coutileiry in the Secretariat in Brussels, during the visit of Coutileiry in Bulgaria and at various forums of WEU the importance which

Bulgaria attaches to its participation in the WEU was stated many times. It was a direct expression of its aim for full integration in the European and Euro-Atlantic structures. The mission of WEU for cooperation of the countries for the implementation of the sanctions on the Danube river is considered as an example of the excellent practical interrelations. Bulgaria also carefully followed the process which defines the bilateral role of WEU – as a defensive component of EU and as an European support of NATO. Thus the participation of the country in WEU gave it an opportunity to take part in the discussions as to its place and role in the different structures in the new architecture for security, as well as in the discussions for their expansion.

Bulgaria gives an important place to the economic dimensions of the new architecture for security. The military and political tasks for the strengthening of the European security must go hand in hand with economic measures, which however, so far, have not been given enough attention.

### **• Cooperation and Integration in the Euro-Atlantic Structures for Security**

The further cooperation and integration of Bulgaria in the Euro-Atlantic structures aims the strengthening of the national security. Main attention was paid to Bulgaria's active participation in the Council for North-Atlantic cooperation and the "Partnership for Peace" NATO programme as well as to the discussions and consultations for the expansion of NATO. The political dialogue on a high level was activated: in 1995 the Prime Minister and the Foreign Minister visited NATO's Headquarters and due to the initiative of the Bulgarian side bilateral consultations were held in Sofia on the question of expansion of the Organisation. The NATO delegation was headed by the Deputy General Secretary for planning



and policy of defense Mr. Anthony Craig. According to Bulgaria NATO's expansion should be part of a wider architecture for security, which should be based on cooperation throughout Europe without the creation of new dividing lines. This should be achieved with the participation of all European countries and be in accordance to their interests. The expansion should be a gradual, well-considered and transparent process, which includes a dialogue with all the involved countries. The cooperation and further integration with NATO is part of the parallel and supplement process of Bulgaria's integration in the European economical, political and military organisations and in the Euro-Atlantic security structures. That is why the standpoints of NATO on the connection between these processes, for the parameters parallel in their development and for the eventual consequences for Bulgaria's integration with EU, WEU and NATO are important to Bulgaria.

Bulgaria realises the importance of the practical cooperation with NATO in the frames of the Union for North Atlantic Cooperation /UNAC/ and "Partnership for Peace" programme. The government intends to activate the country's participation in the "Partnership for Peace" programme in accordance to the stated by Bulgaria aims and interests.

Bulgaria backed the peace agreement for Bosnia and Herzegovina and is ready to assist its successful implementation. The country actively participates in the economic projects for the rebuilding. It is in the position to supply considerable aid in this sphere, thus receiving partial compensation for the losses suffered because of the Yugo sanctions.

The country also helps for the improvement of the military cooperation mainly by trying to activate the participation of the country-partners in the planning of military exercises in the framework of "Partnership for Peace". In 1996 Bulgaria will host the land military exercises COOPERATIVE DETER-

MINATION – 96, and in 1997 it will host the naval military exercises COOPERATIVE PARTNER – 97.

## • Bilateral Relations

In Bulgaria's relations with the separate countries several characteristic tendencies can be seen: the political dialogue with the foreign political partners was activated and a common position for the solution of problems was sought for. The expanding of opportunities for economical cooperation was stressed on as well as the attraction of investments and the livening-up of foreign trade. The contract and legal base of the relations with the European countries and the USA was improved. The main tendency in Bulgaria's policy towards the countries in South-Eastern Europe is the aim to achieve stability and to develop cooperation with all partners in the region in the context of European integration.

The differences in the various configuration of the countries in the region – some members of EU and NATO, some with associated membership status, countries in transitional periods or taking part in an armed conflict as well as totally new relations between the countries determined the different activity in the relations as well as the different tactical interests in Bulgaria's policy, the different frames and opportunities which outlined the country's foreign policy. But in the centre of the attention of Bulgaria's foreign policy towards each of the Balkan states was the strive for goodneighbourliness and understanding.

Because of the importance which the Great Powers – the USA and Russia – have not only in their bilateral relations with Bulgaria, but also for the development of the European and Euro-Atlantic integration processes the relations with them had stressed priority in the foreign political and economic activities of Bulgarian's government. Thus, for example, in 1995 it aimed its efforts towards a balanced development of the political, economical,



financial, investing and military relations with the USA. It was realised that in many cases it is the position of the USA on which Bulgaria's acceptance in a number of international organisations, the establishing of the country as a reliable partner in international politics and on the international markets depends to a certain degree.

Of significant importance for Bulgaria was the cooperation with the international financial institutions, where the USA has a considerable influence.

During the official visit of President Dr Zhelev in February 1995 to the USA, where he was accompanied by three of the ministers from the government of Premier Jean Videnov, a mutual document for bilateral relations was signed. It comprised the principles for cooperation with concrete engagements for their development. The most important issues of the bilateral cooperation were also considered during the short visit of the US Deputy Secretary of State Richard Holbrooke to Bulgaria on October 2nd 1995.

When forming the policy towards and relations with Russia and the CIS countries Bulgaria bore in mind the great significance these states have with their amounts of resources and vast markets and also took into consideration the attachments of the economies up till recently as well as the military supplies, the closeness of cultures and the several hundred thousand ethnical Bulgarians who live there. In 1995 special heed was paid to the reestablishment of the economic ties with Russia and the CIS countries, which had its importance for the stabilisation of the economy in the transitional period. The efforts on state and government levels were aimed at strengthening and expanding the political dialogue primarily with Russia, Ukraine and Moldova and to establishing a dialogue with the Caucasian and Baltic countries and some countries in Central Asia.

The political dialogue with Russia was greatly activated. In 1995 Bulgaria was visited by the Prime Minister, the Foreign Minister and by other minis-

ters of Russia's government and Moscow was visited by the Bulgarian Prime Minister and some of the members of the cabinet.

The priority – Bulgaria's integration in the European and Euro-Atlantic structures – defined the importance of the bilateral relations with the EU member-countries. The desire and political will for further opening of the countries towards Bulgaria, for concrete steps in all spheres, for maintaining an active political dialogue and vast economic, scientific and technical and cultural cooperation was common.

With Germany Bulgaria continued to maintain regular political contacts which stimulated the whole specter of bilateral relations.

Relations with Great Britain developed dynamically in all spheres and on different levels. The British side supported the Bulgarian concepts for regional security and cooperation. The amount of traded goods between the two countries was increased.

The experience which Spain, Portugal and Italy had acquired in the processes of democratisation and the transition towards a free market economy as well as their integration in the European and Euro-Atlantic structures and their role in the important for Bulgaria Mediterranean region determined Bulgaria's interest for the activation of relations with them.

Relations with Switzerland and Austria were characterised by an active dialogue, with the expansion of the contract and legal base and with the creating of premise for intensified economic cooperation.

As a whole the activeness of the relations between Bulgaria and France were maintained as well as those with the BeNeLux countries. A certain enlivening of the bilateral political dialogue between Bulgaria and the Scandinavian countries was also witnessed.

The bilateral relations with the four Visegrad Group states developed on the basis of forming a new or renovation of existing contract and legal



basis. Bilateral documents exist in the political, financial spheres, the cooperation in the field of rural economy, the direct cooperation between the defense ministries. Documents were signed for zones for free trade with the Czech and Slovak Republics. Talks with Poland and Hungary are under way.

In the relations of Bulgaria with the countries from the Middle East and North America special attention was paid to the strengthening and activating of the existing traditional connections in the political, economic, cultural and other spheres. Connections with the Arab states from the Persian Gulf with which Bulgaria has recently established diplomatic ties were also widened.

The activities of Bulgarian firms and engineering organizations in countries which have proved to be traditional partners of Bulgaria were reestablished and expanded.

In 1995 political contacts with African countries were intensified and Bulgarian exports to them were increased. For the first time a Bulgarian Foreign Minister was on an official visit to the South African Republic.

The active political dialogue between Bulgaria and the main Latin American countries in 1995 was an important step for the future development of the trade and economic ties with them. Traditionally good was the cooperation between Bulgaria and the Latin

American states at various international organizations and forums.

Relations with the countries from Asia, Australia and Oceania were made easy because of the established traditional friendly ties as well as because of the lack of unsolved problems in the political sphere.

Japan continued to be one of the most serious political, financial and economic partners of Bulgaria. In 1995 concrete agreements were signed for the reconstruction of the Plant for ferrous metals – Plovdiv and “Eliseyna” for which Japan offered quite favourable conditions.

In bilateral contacts and at different international forums Bulgaria put forward the important for it question about the situation of the Bulgarian national minorities. In its relations with Serbia Bulgaria defended the lawful and constitutional rights of the Bulgarian minority. Bulgarian organizations send textbooks and literature to Bulgarian groups in Moldova. The country also aided the establishment of a Bulgarian cultural centre in Ukraine. Substantial attention was paid to the questions of preserving the Bulgarian national heritage abroad.

With dozens of states Bulgaria has bilateral programmes for cooperation in the spheres of education, science and culture, the programmes with the European countries being of prior importance. Bulgaria is also represented in all electoral bodies of UNESCO.



## 2. GOVERNMENT

### INDEPENDENCE OF THE THREE POWERS – LEGISLATIVE, EXECUTIVE AND JUDICIAL, CHARACTERISES GOVERNMENT

**B**ulgaria is a republic with parliamentary form of government as proclaimed in the Constitution of the Republic adopted by the Grand National Assembly on 13 July 1991. The entire state power of governing derives from the Bulgarian people and is exercised directly by it or through the bodies provided by the Constitution. Bulgaria is a united country in which no autonomous territorial formations are allowed. The territorial integrity of Bulgaria is inviolable; the official language is the Bulgarian language and the traditional religion is the Eastern Orthodox Christian creed.

The Constitution of the Republic of Bulgaria is the supreme law of the country and no other law may contravene it. Therefore all international instruments which have been ratified in constitutional order are part of the domestic legislation and thus supersede the norms of the domestic legislation.

Constitutionally the state power in Bulgaria is divided into: legislative, executive and judicial.

#### • National Assembly

The National Assembly is an unicameral Parliament vested with the legislative power and exerting parliamentary control. It consists of 240 people's deputies and is elected directly for a term of four years by direct vote. In cases of war, martial law or any other

emergency situation which may occur during the time of Parliament's mandate, the term of its activity shall be extended till the circumstances mentioned above cease to exist.

In the 36th Ordinary National Assembly, elected on 13 October 1991 – the first Ordinary National Assembly elected after the Grand that adopted the Constitution – were sitting: 110 deputies of UDF (Union of Democratic Forces), elected on the votes of 45.8 per cent of the electorate, 106 deputies of BSP (Bulgarian Socialist Party) and coalition – 44.2 per cent of the votes and 24 deputies of DPS (Movement for Rights and Freedoms) – 10 per cent of the votes. During the years of mandate of the 36th National Assembly occurred serious changes in the composition of the parliamentary groups. As a result of this process the biggest parliamentary group became that of BSP and coalition (named also Parliamentary Union for Social Democracy) and two new groups were formed: Democratic Alternative for the Republic (DAR) – on 7 September 1994, and New Choice (Nov Izbor) – on 29 July 1994). The last two groups included deputies who had left BSP and UDF parliamentary factions.

On 18 December 1994 early parliamentary elections were held. Based on the results from the elections the mandates of the 37th National Assembly were allocated as follows: 125 seats for the Bulgarian Socialist Party (BSP) in



coalition with the Bulgarian Agrarian People's Union (BAPU) "Alexandar Stamboliiski" and the Political Club (PC) "Ekoglasnost"; 69 seats for UDF; 18 seats for the People's Union – a coalition between the Bulgarian Agrarian People's Union (BAPU) and the Democratic Party; DPS – 15 seats, Bulgarian Business Bloc (BBB) – 13 seats. Subsequently, part of the BBB deputies left the parliamentary group and declared themselves independent.

The National Assembly is a standing body, it acts on the basis of the Constitution and the Regulations adopted by itself. It elects within itself standing and temporary commissions. The standing commissions have the task to support its activity and to exercise parliamentary control on its behalf, while the temporary commissions are entitled to do concrete studies and polls. The National Assembly is directed by a Board of Chairmen consisting of a Chairman of the National Assembly and Deputy Chairmen representing all parliamentary groups.

The Bulgarian Parliament has wide powers: it passes, amends, supplements or abrogates acts and laws; adopts the state budget and account for its fulfilment; determines taxes and their rates; fixes the date of presidential elections; passes decisions on holding national referendums; elects and dismisses the Prime Minister and, on his motion, the members of the Council of Ministers; initiates changes in the government on motion of the Prime Minister; establishes, transforms and closes ministries; appoints and dismisses the governors of the Bulgarian National Bank and the heads of other institutions in conformity with the law. The National Assembly approbates the conclusion of state loan agreement; resolves on declaring war and concluding peace; approves the deployment and use of Bulgarian armed forces outside Bulgarian frontiers, as well as the crossing and stationing of foreign armed troops through or on the territory of this country; introduces martial law or a state of emergency on all or

portions of the country's territory on the motion from the President or the Council of Ministers; grants amnesty; awards with orders and medals; establishes the dates of official holidays. The National Assembly ratifies and denounces international treaties via acts. It elects the Chamber of Accounts to control the implementation of the state budget bill. The principles of activity of the Chamber of Accounts is regulated by a law.

Several institutions operate with the National Assembly: the Foreign Aid Agency – established in 1990 by a special law. The Agency is a state body in charge of receipt, distribution of and control over the foreign humanitarian aid given to Bulgaria by foreign states, organisations and physical persons. According to the adopted amendment in the Law of the Foreign Aid Agency of 22 April 1992, its director is elected and removed from office by Parliament. The other institutions operating with the National Assembly are: the National Institute of Statistics which was established by virtue of the Law on Statistics adopted by the Grand National Assembly on 18 March 1991 (the institute assumes the assets and liabilities of the Central Statistics Administration closed in July 1991), the National Center for Public Opinion Polls which acts as of 18 January 1990 on the ground of a decision of the National Assembly, and the Commission for Protection of Competition which is an independent state institution, a legal entity on state support.

## • President of the Republic

The President is the head of state who embodies the unity of the nation and represents the Republic of Bulgaria in its international relations. The president is elected directly for a term of five years by a procedure established by law and is assisted by a Vice President.

The President of Bulgaria, Zhelyu Zhelev, DSc in philosophy, is the first



president of this country, elected directly by the people in 1992. On the same voting-paper as Vice President was elected Blaga Dimitrova who resigned from her position on 30 June 1993.

The powers of the President are to call parliamentary and local elections. The President fixes the date for holding national referendums pursuant to a resolution of the National Assembly; concludes international treaties in the circumstances established by law; promulgates the laws; approves the changes in the borders of administrative territorial units and their centers on a motion from the Councils of Ministers. The President appoints and dismisses the heads of Bulgaria's diplomatic and standing representatives in international organisations, as well as other state officials in conformity with the law. The prerogatives of the President include awarding orders and medals; granting, restoration, relieve from and withdrawal of Bulgarian citizenship; granting asylum, exercising the right to pardon. The President has the right to write off uncollectible debts to the state; to name landmarks of national importance and circumstances and inform the National Assembly on basic issues within his presidential prerogatives.

After consultations with the parliamentary groups, the President assigns the prime minister designate, nominated by the biggest parliamentary group, with the task to form a cabinet. The President is the Supreme Commander of the Bulgarian Army and has the right to appoint and dismiss the senior command staff of the armed forces of the country. The President presides over the Consultative National Security Council and can proclaim general or partial full mobilisation on a motion from the Council of Ministers. The President appoints a provisional cabinet in case of dissolution of the Parliament and the provisional cabinet is in office till a new Cabinet is formed after elections for a new Parliament. Eligible for President is any natural-

born Bulgarian citizen who has accomplished 40 years of age and qualifies to be elected people's deputy, and who has resided in this country during the five years preceding the election.

## • Council of Ministers

The Council of Ministers as an executive administrative body directs and pursues the domestic and foreign policy of the Republic of Bulgaria in conformity with the Constitution and the law. Eligible for membership in the Council of Ministers are Bulgarian citizens only who conform to the requirements to be elected people's deputies. They shall not take positions or perform activities incompatible with the status of a people's deputy. The Council of Ministers manages the implementation of the state budget; organises the running of state property; concludes, approves or denounces international treaties in accordance with the law. It cancels unlawful or incorrect acts of the ministers.

After the elections of 1991 for the 36th National Assembly, two cabinets governed this country. The first one – the Cabinet of Philip Dimitrov (5 November 1991 – 28 October 1992) fell when the National Assembly passed a vote of non-confidence upon a motion of the prime minister. The second one – the Cabinet of Lyuben Berov (30 December 1992 – 17 October 1994) resigned on 2 September 1994. Prof. Lyuben Berov was elected Prime Minister following a parliamentary decision of 30 December 1992, with the votes of 124 deputies out of 149. The same day the National Assembly passed a decision on the formation of a cabinet elected "en bloc" by 127 votes out of 151.

After the dissolution of the 36th National Assembly on 17 October 1994 President Dr. Zhelyu Zhelev appointed a provisional cabinet headed by Reneta Indjova, economist, the first lady-premier in Bulgarian history.

After the extraordinary parliamentary elections held on 18 December 1994



the largest parliamentary group, the coalition of BSP, BAPU "Alexandar Stamboliiski" and PC "Ekoglasnost", in accordance with the requirements of the Constitution, was invited to form the new government. On 26 January 1995 Parliament, by secret vote, elected Jean Videnov Prime Minister with 138 "pros" and 31 "cons" votes. Also by a secret vote and "en bloc", with 131 "pros" and 15 "cons", was elected the new Council of Ministers.

The new Council of Ministers consists of the ministers of 16 ministries: Ministry of Foreign Affairs, Ministry of the Interior, Ministry of Health, Ministry of Agriculture and Food Industry, Ministry of Culture, Ministry of Economic Development, Ministry of Education, Science and Technology, Ministry of Environment, Ministry of Defense, Ministry of Justice, Ministry of Industry, Ministry of Regional Development and Construction, Ministry of Transport, Ministry of Labour and Social Welfare, Ministry of Trade and Foreign Economic Cooperation, and Ministry of Finance.

### • Judicial Power

The judicial power is independent and in performance of their functions, judges, court assessors, prosecutors and investigating magistrates shall be subservient only to the law. Justice is administered by the Supreme Court of Cassation, the Supreme Administrative Court, courts of appeal, courts of assizes, courts martial and district courts.

The structure of the prosecutors' offices in this country corresponds to the structure of courts. The Chief Prosecutor oversees the legality and provides methodological guidance to all other prosecutors.

Judges, prosecutors and investigating magistrates are appointed, promoted, demoted, reassigned and dismissed by the Supreme Judicial Council. The Chairman of the Supreme Court of Cassation and the Chief Prosecutor are appointed and dismissed by the

President of the Republic on a motion of the Supreme Judicial Council, for a term of seven years and they are not eligible for a second term in office. Judges, prosecutors and investigating magistrates become unsubstitutable upon completing a third year in the respective office.

The Supreme Judicial Council consists of 25 members. The Chairman of the Supreme Court of Cassation, the Chairman of the Supreme Administrative Court and the Chief Prosecutor sit on the Council ex officio. Eleven of the members of the High Judicial Council are elected by Parliament and 11 – by the bodies of judicial power. The term of the elected members is 5 years and they are not eligible for immediate re-election.

### • Local Selfgovernment and Local Administration

The territory of the Republic of Bulgaria is divided into municipalities and regions. The municipality is the basic administrative and territorial unit at the level of which local self-government is effected. The citizens participate in the municipal government both through the local bodies of self-government elected by them and directly: via a referendum and a general meeting of the populace.

The region is an administrative territorial unit entrusted with the conduct of the regional policy, implementation of state government on a local level and harmonising the local with national interests. Each region is governed by a regional governor appointed directly by the Council of Ministers. The central state bodies and their local representatives exercise control of the conformity with the law of the acts of the local administration only in case that is provided by law.

In October 1995 in Bulgaria were held elections for local administration (the second round was in November) at which were elected 195 mayors of BSP, UDF and the People's Union sep-



arately or jointly got 16 municipalities, DPS – 26 municipalities, BBB – 2, and BCP – 1. 15 independent candidates were also elected municipal mayors.

116 mayors were elected at ballot, 75 of them from BSP, 16 from DPS, 12 independent, 11 from UDF and PU, 2 from BBB. The average electoral activity in the country was about 55 per cent.

For mayor of Sofia, at ballot, was elected Stefan Sofiyanski of UDF by 57.59 per cent of the votes (284,001 inhabitants of the capital) versus 42.41 per cent (209,154 votes) for his opponent Ventzeslav Yossifov, independent candidate supported by BSP.

## **Constitutional Court**

The Constitutional Court was established by a Law on the Constitutional Court, passed by the Grand National Assembly in July 1991. It is a body independent of the legislative, executive and judicial powers and is governed only by the provisions of the Constitution and the Law on the Constitutional Court. The Constitutional Court is a supreme state body consisting of 12 justices, one third of whom are elected by the National Assembly; one third are appointed by the President and one third are elected by a general meeting of the justices of the Supreme Court of Cassation and the Supreme Administrative Court. The mandate of the justices of the Constitutional Court is nine years and they are not eligible for re-election or re-appointment. The staff of the Constitutional Court is renewed every

three years from each quota, in an order established by law.

The Constitutional Court acts on the initiative of at least one fifth of the people's deputies, the President, the Council of Ministers, the Supreme Court of Cassation, the Supreme Administrative Court and the Chief Prosecutor. In the powers of the Constitutional Court is to provide binding interpretations of the Constitution, to rule on challenges to the conformity to the Constitution of the laws and other acts passed by the National Assembly and acts of the President. The Constitutional Court rules on disputes over competence that may arise between the National Assembly, President and Council of Ministers and the disputes between the bodies of local self-government and central executive bodies. The Constitutional Court rules on the compatibility between the Constitution and the international treaties concluded by the Republic of Bulgaria prior to their ratification, as well as on issues of compatibility of domestic laws with the universally recognised norms of the international law and the international instruments which Bulgaria is a party to. The Constitutional Court rules on challenges to the constitutionality of political parties and alliances; on challenges to the legality of the election of the President and Vice President; on impeachments by the National Assembly against the President and Vice President. No authority of the Constitutional Court can be vested or suspended by a law.



## WHO IS WHO IN GOVERNMENT

### **ZHELYU ZHELEV – President of the Republic of Bulgaria.**

First chosen for President by the Grand National Assembly in 1990, re-elected at the presidential elections in 1992.

Born March 3, 1935, in the village of Veselinovo, near the town of Shoumen. Has a university degree in Philosophy. His thesis was banned for political reasons and he was expelled from the Communist Party in 1965. In 1974 Zhelyu Zhelev presented and defended a second thesis, and in 1988 he defended a doctoral thesis. He has worked in the Research Institute of Culture at the Bulgarian Academy of Sciences as a senior scientific worker. Zhelev is among the founders of the Club for Glasnost and Reconstruction – one of the first dissident formations in Bulgaria. In 1989 Zhelyu Zhelev became the leader of the Union of Democratic Forces.

Married, with one daughter. His wife is a producer of documentaries.

### **JEAN VIDENOV – Prime Minister of the Republic of Bulgaria.**

Born March 22, 1959 in Plovdiv. Graduated from an English-language high school in Plovdiv and majored in Foreign Trade at the Moscow State Institute for International Relations. Expert in the Biotechnology Corporation and Avtoelektronika. Worked at the Municipal and Central Committees of the Dimitrov Young Communist League in Plovdiv and Sofia.

Bulgarian Socialist Party elected by the 39th Congress of the BSP (1990). Member of the Presidency of the BSP Higher Council (November 1990). Chairman of the Higher Council of the BSP elected by the 40th BSP Congress in 1991, and re-elected by the 41st Congress in 1994. MP in the Grand National Assembly and in the 36th and 37th National Assemblies.

Prime Minister of the Republic of Bulgaria since January 1995. Fluent in English, Russian, and Arabic.

Married, with a son. His wife has a degree in Chemistry.

### **BLAGOVEST SENDOV – Chairman of the 37th National Assembly.**

Born February 8, 1932 in Asenovgrad. In 1956 received a university degree in Mathematics from the Sofia University "Sveti Kliment Ohridski". Continued his studies in mathematics in Moscow and London. In 1964 received a Ph.D in Mathematics from the Sofia University and in 1967 – a doctoral degree from the Moscow Academy of Sciences.

Since 1958 worked as a research assistant, assistant professor and full professor in the Sofia University. Has been dean of the Mathematics faculty and deputy-director of the Centre for Mathematics and Mechanics at the Bulgarian Academy of Sciences (BAS). Rector of the Sofia University (1971-1979).

Academician since 1981. Deputy-



chairman, chief scientific secretary and Chairman of BAS (1980 – 1991).

Author of 150 articles and numerous textbooks in mathematics. An honorary Chairman of the World Association of Universities.

Married with a son. His wife has a degree in Modern Languages.

### **IVAN TATARCHEV – Chief Prosecutor of the Republic of Bulgaria.**

Born 1930 in Sofia, Received a degree in Law from the Sofia University. He worked as a construction worker, having been banned from law for political reasons, and was later a lawyer in Malko Turnovo and Razlog. He was

engaged in a political conflict with the District Prosecutor of Blagoevgrad. Later Tatarchev moved to Sofia and worked as a lawyer. Not married.

Chief Prosecutor of the Republic of Bulgaria since February 12, 1992.

### **ASEN MANOV – chairman of the Constitutional Court.**

Born 1922 in Vidin, worked as a legal councillor. A member judge on the Supreme Court since 1971. In September 1991 a Supreme Court plenum elected him on the Constitutional Court. A few months later he was elected Chairman of the Constitutional Court and was re-elected in 1994 for a second mandate.



# LEGISLATION

## 122 LAWS HAVE BEEN PASSED BY THE NATIONAL ASSEMBLY THROUGHOUT THE YEAR

**I**n 1995 the National Assembly passed 122 laws. A total of 70 acts that Parliament voted ratified international instruments to which the country became a signatory.

A total of 30 amendments were debated and passed. Of these several acts that provide for major issues like agricultural reform, higher schools procedures or ownership rights deserve special attention.

The 37th National Assembly passed a Law on the Amendment to the Law on Agricultural Land Ownership and Use. The President of the Republic exercised his Constitution-sanctioned right to suspensive veto and rejected this law entirely and in principle and qualified part of its provisions as anticonstitutional and the remaining ones as unfit for the agrarian reform that is carried out in the country. The National Assembly voted the law again. The President approached the Constitutional Court pleading to declare part of the provisions anticonstitutional and suspend them. A decision of the Constitutional Court of June 19, 1995 declared part of the challenged provisions to be in contravention to the Constitution as they basically deprived a number of citizens of their right to property and expressed the concept that agricultural land in the

Republic of Bulgaria is state-owned.

The President of the Republic returned to Parliament for second debate the Law on the Amendment to the Law on Reinstatement of Ownership Over Nationalised Immovable Property passed on February 9, 1995 and challenged it completely and in principle. The majority in Parliament disagreed with the President's motivation for a second debate and the Law was promulgated in *Durzhaven Vestnik* (The State Gazette). A group of MPs challenged the Law with the Constitutional Court claiming that the provisions of the Law deprive citizens of their immovable property and the right to use it and on grounds that the law was passed with one reading and one voting which is in contravention to Art. 88 para 1 of the Constitution of Bulgaria. The Constitutional Court ruled that the Law on the Amendment to the Law on Reinstatement of Ownership Over Nationalised Immovable Property was anticonstitutional. The decision covered the consequent act of Parliament to amend the same Law.

The President of the Republic exercised his suspensive veto again with respect to the Law on the Revocation of the Law on the Temporary Restrictions to Members of the Governing Bodies of Research Organisations and the Higher



Accreditation Committee on grounds of inappropriate wording of some texts. MPs voted again rejecting the arguments of the Head of State. The same procedure recurred vis a vis the Law on the Amendment to the Law on the Protection of the Environment that the President challenged completely and in principle and returned for second debate.

A group of MPs approached the Constitutional Court to challenge provisions of this act. The Constitutional Court ruled down.

In terms of importance the laws that effected substantial changes in legislation in 1995 were those that amended acts already in place.

Amendments were made to the Penal Code's general and specific part changing the concept of what is to be understood by an offence that constitutes a threat to all and introducing a life term instead. Provisions related to intellectual property infringement were updated; provisions were incorporated to enable penalty for the violation of the citizens' rights.

The Penal Code likewise underwent amendments to provide for effective legal action against crime. The amendment to Art. 152 providing that when a person accused of a crime is facing prosecution for another crime, he shall

be detained and not released from prison before the trial ends deserves special mention.

The Law on Serving Terms was essentially modified with a provision for a life sentence.

In 1995 the 37th National Assembly passed 22 normative acts. Some of them are unprecedented and regulate very important economic relations. The Law on the Audit Office instituted the body that will control the state budget income and expenditure. A new law to regulate the state budget drafting is greatly needed but was not drafted. In 1995 Parliament voted very important laws like the Concession Law, the Law on the Social Security Fund, the Law on Higher Education, the Law on Defence and the Armed Forces of the Republic of Bulgaria.

The Law on the Bulgarian State Rail that was passed in 1995 instituted the Bulgarski Durzhavni Zheleznitsi National Company which has the status of a state-owned enterprise and provides for resource and business management in that field.

A new Law on the Bulgarian Red Cross was passed. A comprehensive act was passed providing for control on import and export of arms and commodities and technologies which allow dual use.



# NATIONAL SECURITY

## A NEW TYPE OF NATIONAL SECURITY SYSTEM PUT IN PLACE

**S**ince the early 1990s the national security in the Republic of Bulgaria has been guaranteed in conditions that are radically different from those in previous decades. The disintegration of the Warsaw Pact while the NATO remained raised the issue of Bulgaria's probable membership in NATO (along with the other countries of the former Eastern Bloc). The question arose as a natural response to the changed geopolitical conditions but not as part of the current European policies agenda.

Changes have occurred in the regional context. The Balkans have become an arena of a military conflict on the territory of the former Yugoslavia. At the close of 1995 the conflict came under control. The outcome of this phase was the emergence of a Moslem community in the zone of the conflict. This constitutes a certain threat as different ethnic groups live together in the region within separate unitary states. Domestic conditions in Bulgaria have changed substantially in the post 1989 period and this has had a direct impact on its national security. The democratisation of society has called for the depoliticisation of the armed forces, the enforcement of civilian control on the operation of the military and special services, the creation of civil society structures some of which relate to national security. On their part economic changes for the creation of a market economy have called for new ways and means of supply and backup of the armed forces and maintenance of the military defence production and trade complex.

It was in these conditions that Bulgaria

started the actual establishment of a new type of national security system.

The new system rests first and foremost on the democratic principles laid down in the Constitution of Bulgaria. The new Constitution (1991) was followed by a series of laws pertaining directly or indirectly to national security. Questions pertaining to the police force and the special services, the state secret, the institutional changes in security were codified. At the close of 1995 the Law on Defence and Armed Forces was passed after five years of drafting it by three National Assemblies. Along with the regulation of professional and institutional matters for the first time this law treats the Bulgarian military as citizens having all rights laid down in the Constitution and specifically lists the ones that are curtailed in the interest of national security.

Along with legislative changes in the country's national security processes of change and adjustment of the existing national security structures are occurring. Some organisations that are prominently political were disbanded (like the Volunteer Detachments or the Organisation for the Assistance of Defence) or adapted to the changed conditions (like the Civil Defence which was transformed into Civil Protection and a number of other key elements of the country's national defence); reorganisation is still under way in the army and armed forces.

These changes have become publicly known as the reform in the army. Reorganisation was going at a varying pace in the past five years. A 1995 deci-



sion of the Council of Ministers approved the programme for reform in the Bulgarian Army till 2010.

The draft concept that was submitted to the National Assembly for debate and approval is another document of underlying importance for the national security.

The democratic joint command of the national security system as a result of the actions of the National Assembly, the President of the Republic and the Council of Ministers is gradually gaining currency.

In complete harmony with the international instruments the Bulgarian national security system is transparent and sufficiently open to external control in compliance with the concluded treaties and agreements.

bours results from the implementation of the Cascade Plan within the framework of the CFE Treaty which provides that arms from Central Europe should be transferred to the European periphery in order to achieve balance along the entire border of NATO. That balance struck when the Warsaw Treaty was in place is becoming a growing imbalance vis a vis Bulgaria today. According to SIPRI the USA alone has given gratuitously 1993 tanks, 636 armoured vehicles and 180 artillery systems to Greece, Turkey, Norway, Portugal and Spain. The result of the implementation of the CFE Treaty in the region of which Bulgaria is a part can be seen on the following table which gives the correlation of basic indicators before and after the enforcement of the Treaty.

	Bulgaria-Turkey		Bulgaria-Greece		Bulgaria-Romania	
	Before	After	Before	After	Before	After
Personnel	1:5.09	1:5.09	1:1.61	1:1.5	1:1.45	1:2.2
Tanks	1:1.19	1:1.9	1.40:1	1:1.17	1:1.18	1.07:1
Armoured vehicles	1.2:1	1:1.56	1.08:1	1:1.2	1:1.55	1:1.05
Artillery	1:1.29	1:2.0	1.27:1	1:1.07	1:1.54	1.18:1
Combat craft	1:1.52	1:3.2	1:1.24	1:2.76	1:1.05	1:1.8
Combat helicopters	44:0	1.5:1	44:0	1:1.49	1:2.36	1:1.56

Bulgaria took part in the peace-keeping operations in Cambodia; strictly enforced the imposed Yugo embargo; participated in joint NATO exercises within the framework of the Partnership for Peace initiative; observes the commitments under the Treaty on Conventional Armed Forces in Europe (CFE Treaty).

Bulgaria pursues a peaceful and constructive foreign policy internationally and in the Balkans.

In many ways though such behaviour on the part of Bulgaria in the field of national security is entailed to tremendous difficulties and risks to security.

The reasons for that are many and essential. One of the most important reasons is the growing imbalance in the armed forces and potentials of Bulgaria vis a vis Turkey and Greece. This imbalance which is in favour of the southern neigh-

Despite the negative effect that the implementation of this plan has on the country Bulgaria sticks to its commitments under the CFE Treaty in the name of understanding and peace.

Another group of reasons for the difficulties facing Bulgaria's national security are the disrupted technological relations with countries of the former Eastern Bloc which is a test of the maintenance and operation of military technology and arms in the army.

The Bulgarian army bought last:

Aircraft (SU-25 fighters)	1988
Tanks and combat helicopters	1985
Armoured vehicles	1987
Anti-tank, air defence and radar systems	1989
Ships	1988



The army quickly faced problems that it has not had before: irregular supplies, munitions, spare parts of a new make and even provisions. The difficulties can be avoided to an extent with the efforts of the national defence industry but like the national economy it is in a depression.

The army budget allocations are insufficient and affect the commanders' ability to drill and train the soldiers for joint military operations. The army budget dynamics of the past few years indicates the difficulties that the army confronts. In early 1995 the Ministry of Defence said the army needed at least BGL 48 billion. The National Assembly allowed BGL 24 billion.

In the opinion of senior commanders the sum can meet just 48% of the minimum needs in 1995 (97% in 1990, 87% in 1991, 67% in 1992, 35.3% in 1993, 34.4% in 1994). In other words the minimum needs in 1995 in fact amounted to BGL 52 billion. With inflation in mind the military budget may grow in absolute figures but actually it decreases with every passing year. The 1994 budget constituted just 22.2% of the 1989 budget.

If Bulgaria joined NATO that would require substantial financial effort on its side in the course of years and decades and the solution of the complicated and expensive problem of getting command on the new NATO system in all the wide range of arms and military equipment in the army.

One of the most complicated problems that the country faces in the effort to guarantee national security is how to do it in the period in which it is not a member of NATO and will have to take these guarantees for itself. With the Warsaw Treaty and in the post World War II decades Bulgaria did not train staff who are able to plan the guaranteeing of its national security. Infrastructure, backup of the probable lines of possible military operations, the choice of equipment, the drill and training of the armed forces - all this was subordinated to goals, tasks and values outside the range of the national ones. The drastic change of the situation poses difficult questions in either of the

listed fields and these fields do not cover the entire range.

Therefore today the Republic of Bulgaria lays stress on its balanced foreign policy in the world, Europe and particularly in the Balkan region as a key factor of its national security. Domestically the country is seeking a solution to the national security problem with the available ways and means. The Government is making every effort to gradually cut the drastic shortage of means in the army (the 1996 provisional budget allocates at least BGL 45 billion), to organise the police force in the anti-crime and anti-corruption drive, to establish the new forms of planning and management of the country's mobilisation resources and potentials in line with the changes.

The Government of the Bulgarian Socialist Party and its coalition partners that took office in the beginning of 1995 will probably continue the effort of efficient centralisation of power, including the national security.

Along with that revision will have to be made in the expansion of co-operation between the institutions of power in the field of national security. Naturally the National Assembly will adopt a greater number of programmes of rearmament and reform in all armed forces.

Whatever the case might be Bulgaria will have to guarantee its security by itself in the course of years and probably decades before it becomes part of the future security architecture on the European continent either as a member of NATO or in another adequate way.

1995 was a difficult year for Bulgaria which is treading the democratic path despite. The year was particularly hard for the staff operating in the national security. Also 1995 was a year when the efforts to guarantee national security were increasingly harmonised, the perspective was clearer, the difficulties were easier to understand and the way to overcome these difficulties was more comprehensible.

Despite all this in 1995 again Bulgaria gained reputation as a stabilising political factor in the Balkans. This is an important prerequisite for the national security of the country.



# 3. POLITICAL LIFE IN BULGARIA

## THE TRANSITION TOWARDS A DEMOCRATIC CIVIL SOCIETY CONTINUES FOR THE 6TH YEAR

**O**n November 10th, 1989, the leadership of the Bulgarian Communist Party took the power from the sole leader of the Party and the State – Todor Zhivkov. Evidently its first intention was to carry out reforms in the existing regime and above all – to change its totalitarian features. The development of events, however, unambiguously showed that a partial reform was not possible. The dissatisfaction quickly turned into a mass political movement, demanding radical changes, changes in the essence of the regime. The socialist period in the development of Bulgaria underwent devastating criticism. The only way out from this crisis was the transition towards a democratic civil society, based on the values of the market economy and civil freedoms, guaranteed by a return to parliamentarism. This orientation was unfortunately accompanied by frenetic, destructive slogans which deepened the social crisis. The outcry to demolish the totalitarian state in a number of cases was transformed into a destructive outlash against all existing structures or institutions. Together with the attacks against the nomenclature personnel of the communist regime and the institutions which had created it, this outcry was also directed at state enterprises, agricultural and rural cooperatives, and even institutions like the Ministry of Internal Affairs or the Police. As a result, uncontrolled pilferage of state property, enterprises and equipment began throughout the country. A sharp drop in production followed with the loss of major international markets and an unprecedented crime wave.

The changes in ownership, visualised by some adventurous politicians as an immediate necessity, resulted in a chaotic demolishing. Instead of a planned transition from state to private property, projected reasonably and in perspective, a rampant destruction of state structures began, and as a result the state sector, which continued to account for the majority of the economic output, was left in the hands of fate with the various enterprises accumulating huge debts. The number of unemployed reached 740 000. The economic destruction was most evident in agriculture, where the liquidation councils caused irreparable damages by abolishing farms, existing machine parks, irrigation systems, orchards and vineyards.

In the course of six years the country accomplished a well-defined social stratification with a total impoverishment of the population as a whole. Social security, the opportunity to acquire a home within the existing salary structure, free healthcare and free education, as well as the guarantee of a job for everyone – all these hard-won social benefits of a former age became things of the past.

Concurrently with the revival of parliamentarism, with the proclamations of civil freedoms – freedom of the press, the right to form political organisations and the stimulation of private initiative – the country was swept into economic chaos and a crime wave erupted. Nevertheless, the chosen route is irreversible. Even though passing through a period of difficulties, Bulgarian society is transforming itself from totalitarianism towards democracy in a bloodless and definite manner.



## • Parties, Elections, Power

Immediately after November 10th, 1989, radical changes took place in the political dimension of society. The ruling Bulgarian Communist Party renamed itself into the Bulgarian Socialist Party (BSP), and started upholding some of the values of social democracy. A powerful opposition in the face of the Union of Democratic Forces (UDF) was formed and it immediately stated its aspirations to power. The UDF was joined by the Club in Support of Glasnost and Reconstruction, which had had a year's history of dissidence, the Union in Defence of Human Rights, the Ecological Movement, the Federation of the Independent Students, the Independent Federation of Labour "Podkrepa" /translated: Support/ as well as by some of the parties banned after 1944, which revived their activity – the Bulgarian Social Democratic Party, the Bulgarian Agrarian People's Union "Nikola Petkov", the Democratic Party and the Radical Democratic Party. Later, as a result of inner contradictions and struggles in the UDF, a split took place and some of the main leaders were "left outside political life", as were the parties headed by them. In such a way eminent leaders with a personal contribution to the opposition against communism, such as Social Democratic leader Petar Dertliev and the prominent agrarian Milan Drenchev found themselves outside the UDF. Some of the parties which had left the UDF, split and their duplicates remained within the UDF.

The Bulgarian Agrarian People's Union (BAPU), created in the beginning of the century by the eminent politician and statesman Alexander Stamboliisky, who was killed during the right-wing coup d'état on June 9th 1923, found itself in a complex position. Born as an organisation of the peasantry, prominent in the past with its democratic struggles and reforms at the time of the Agrarian Government after World War I, BAPU split into several contradictory organisations. BAPU, with leader Anastasia Mosser (daughter of another eminent agrarian leader – G.M.Dimitrov), and the Democratic Party – another of the parties which had existed before 1944 –

formed a political alliance called the People's Union which in 1995 became the third political power. Another agrarian union – BAPU "Alexander Stamboliisky" – is in the current governing coalition headed by the Socialist Party.

A new phenomenon in Bulgarian politics after the changes of 1989 was the creation of the Movement for Rights and Freedoms (MRF), a party of the ethnic Turkish minority. It became a legitimate political party in spite of the newly adopted democratic constitution forbidding the creation of ethnic parties. In the MRF, or rather in its parliamentary group, there are several Bulgarians, but this does not change its character – it remains an avowed organisation of the ethnic Turks in Bulgaria.

A characteristic of Bulgarian society after November 10th, 1989, is the opposition between "red" and "blue" people – between the supporters of the BSP and the UDF. The confrontation between these groups has created a division in society and has become a destabilising factor, hampering the realisation of a life-saving national policy. The BSP has proclaimed that it backs a stand of national agreement, but has in practice failed to undertake enough practical steps for achieving this. On the other hand, the UDF did not accept the idea of starting a constructive dialogue and stated that it is the sole bearer of the democratic ideas. Some of the new political formations, born from within the BSP and UDF, tried unsuccessfully to form a political center. The resulting situation led to three consecutive parliamentary elections. After long political discussions, carried out at a National round table in June 1990, elections for a Grand National Assembly took place. In them the Socialist Party won a little over 50 per cent of the seats. Despite a lot of debate, this new Parliament adopted a new, democratic, Constitution. Despite some shortcomings, the new Constitution became the main base of the newly-born democracy in Bulgaria. After sharp attacks, achieved mainly through street protests, the Socialist Government of Andrei Lukanov was forced to hand in its resignation. An understanding on the formation of a Coalition Government



with representatives of the two main political powers was achieved; it was headed by Dimitar Popov, an unaligned lawyer, and existed for about a year.

In October 1991 pre-term elections for a National Assembly were held and they were won with a slight, indecisive majority, by the UDF. The third parliamentary group – the MRF – became the balance of power in Parliament. With its support the UDF formed a new government, stating that they had won power for ever. A few months later presidential elections were held and they were won by the candidate of the UDF, Dr. Zhelyu Zhelev. Thus the UDF was placed in a favourable position to realise its programme. It proved definitely right-wing and very soon the first euphoria of success and hopes, born by populist slogans, gave way to disappointment. The majority of the newly-formed class of owners were people who had benefitted from the series of restitution laws passed by the UDF. Inflation started to rise sharply. The rural economy was swept into chaos by the uncontrolled liquidation of cooperative farms. The agricultural land was not returned to its owners, and conditions for the creation of private or cooperative farms were not created.

In this atmosphere the MRF withdrew its support from the Government of the UDF and after governing for a year, it was forced to resign from power. On December 30th, 1992, a government with the mandate of the MRF, supported by the BSP, was created and economics professor Lyuben Berov was appointed Prime Minister. This government, lacking a well-defined image, existed for more than a year and managed to reduce somewhat the high degree of political tension. But in spite of proclaiming itself a Government of Privatisation, this process did not start as had been the intention; the drop in production and rise in inflation deepened the impoverishment of the population.

New pre-term elections were held on December 19th, 1994, and they led to a strong victory for the BSP coalition, comprising the Bulgarian Agrarian Union "Alexander Stamboliisky" and the Ecoglasnost Political Club. With 125 seats in the 240-seat Parliament, the left-

wing coalition has a clear majority. Four other political powers are represented in the National Assembly – the UDF, the People's Union – a coalition between the Bulgarian Agrarian Union and the Democratic Party, the MRF and the Bulgarian Business Bloc. As a rule most of the representatives of the Business Bloc vote in support of the majority but also, not rarely, back their own opinions. The Government of Jean Videnov, a government of the BSP coalition – Jean Videnov is also Chairman of the Higher Council of the BSP – started work with promises and hopes for the normalisation of the political atmosphere in the country, for a social-security oriented policy, for a definite struggle against crime and violence.

## • 1995 – Positive Steps and Disappointments

The Government led by Jean Videnov – a young and energetic politician – started on the realisation of an ambitious programme. But it very soon became apparent that the realisation of this programme was not going to be an easy task. Steps were taken to revive the economy. Relations with Russia were normalised and an attempt to return the lost markets was made. The mass privatisation process was begun, although it has yet to reach the required speed and impetus. All activities of the liquidation councils in the villages were stopped. Crime and violence, however, remained all the time high. The banks continued suffering from bad and uncollectible debts and liquidity. The savings of thousands of people were lost in fast-profit financial scams whose bankruptcy led their numerous investors to despair. On July 12th, in front of the National Assembly, President Zhelyu Zhelev pointed out the danger of the revival of the Party-State. He did this in connection with the anniversary of the adoption of the Constitution of 1991. The deputies from the right applauded his speech, while those from the left booed him.

At the same time, at a plenum of the Higher Council of the BSP, it was stressed that a coherent approach



towards big capital is lacking. Alexander Lilov, usually referred to as the mastermind of the BSP, warned his party colleagues of "the threat of growing too fat".

The President returned some of the newly accepted laws for new approval or sent them to the Constitutional court for interpretation.

The courts and the judicial system are lax and work slowly. This provides opportunities for criminal structures, which act under the front of, for example, insurance companies, to acquire greater power and influence.

The Government's authority was also lessened as a result of the so-called wheat crisis – in the fall of 1995 it was alleged that the Government had allowed the export of greater than reasonable quantities of wheat, thus leaving the country without enough grain. The price of bread began to increase, flour disappeared from the market. The Government reacted speedily and stopped the speculative growth in bread prices. The Opposition united for a vote of non-confidence. The vote took place in the beginning of 1996 but was unsuccessful. Later, however, the Agricultural Minister resigned.

In spite of these problems the political credit of the Socialist Party is still influential. This was proven at the local council elections held in October and November 1995. Although there was a slight drop in supporters, the Socialist Party and its coalition won in more than three quarters of the counties and in 21 out of 27 former county cities. The UDF won in the largest cities – Plovdiv, Varna, Stara Zagora, Gabrovo and in the capital Sofia. The MRF again proved its dominance in the regions with ethnical Turks.

In the end of 1995 the ruling and opposition formations made a summation of Government's first year in power. According to the BSP it rises hopes for future successes, while according to the Opposition it has been devastating for the population and the country. The objective figures for the economy show a certain revival. Inflation for 1995 is

32.9 per cent – four times lower than that of the previous year. Industrial output increased by 5 per cent, and the gross national product increased by 2.5 per cent. A positive trade balance of about 500 million dollars has been registered. Bulgaria has continued to regularly service its foreign debt. The impoverishment of the population has almost been checked. The prime rate dropped from 72 to 34 per cent. The number of registered unemployed decreased from 740 000 to 470 000. Based on these figures, 1995 can be outlined as comparatively the best year for Bulgaria after November 10th, 1989. In practice, however, the population does not feel any special relief and disappointment from the unfulfilled hopes for a better life increases.

In 1996 two major events will determine the further political and economical fate of the country. The first stage of the mass privatisation has begun and it includes full or partial passage from state to private ownership of more than 1000 enterprises through privatisation vouchers for all Bulgarians over 18 years of age. The success of the mass privatisation will be of decisive importance for the future of the economic reforms and the government. At the end of 1996 presidential elections will take place in Bulgaria. If the socialist government does not take decisive steps in the field of its social policy and in the struggle against crime, it is possible that the BSP candidate will face failure. Any eventual success of the opposition candidate will provide it with additional reasons for inducing pre-term parliamentary elections.

The last parliamentary and local elections outlined clearly one phenomenon which may have serious consequences in the near future – the growth in electoral disappointment with the two main political powers, the BSP and the UDF. The number of those who do not vote has risen to about 40 per cent. These processes may be a herald for further new changes in the political life of the country.



## WHO IS WHO IN POLITICAL LIFE

1995 left on the stage of the Bulgarian political life the main acting figures from the precedent year, reshuffled others, while third were left behind the curtains.

The convincing success of the Democratic left forces at the elections in December 1994 strengthened the position of the Bulgarian Socialist Party /BSP/ at all levels of power and launched in the governing space its coalition partners.

The Union of Democratic Forces /UDF/ took second position in the Parliament; from its candidate-lists some popular names had dropped out and these people were forced, at the very eve of the elections, to look for other partners and coalitions.

The third power in the new Bulgarian Parliament – the People's Union – combines representatives of rural workers and democrats as well as some who were dropped from /or voluntarily left/ the UDF.

The Movement for Rights and Freedoms /MRF/ managed, in spite of inner conflicts, to preserve its main figures, but lost its position as the power, which balances the main forces.

With pretensions to take this appealing status the Bulgarian Business Bloc /BBB/ took its place in Parliament, but it soon lost its leader due to casation of

the election. At the same time the members of the group underwent interesting metamorphoses during their one year in the parliamentary life.

Beneath the line and not represented in Parliament remained some popular names, who try to influence the political space outside parliamentary life and compete for influence and political future in the Bulgarian society.

And so: Who's who on the stage of the Bulgarian political life in 1995? The most frequently met names are:

**JEAN VIDENOV** – Chairman of the Higher Council of the BSP and Prime Minister of the Republic of Bulgaria. /For more information see "Who is who in the Government"/

**KRASIMIR PREMYANOV** – Chairman of the Parliamentary Group of the Democratic left forces.

40 years old. Has two university degrees – as a lawyer, specialised in "International Law" and as a politolog. Lawyer in the Sofia College of Barristers. Married, with two children. Speaks Russian and English.

Representative of the new generation of leaders in the Socialist Party, Vice-chairman of the Higher Council of the BSP and Chairman of the Foreign Policy, International Relations and National Security Commission of the Higher Council.

Member of Parliament in the Grand,



36th and 37th National Assemblies.  
Motto: "Worthy life for all! Glory and fame for Bulgaria!"

**YANAKI STOILOV** – Vice-chairman of the Higher Council of the BSP.

37 years old. Has graduated the Juridical Department of the "Sveti Kliment Ohridski" University of Sofia. MA of the Juridical Sciences, assistant-in-chief at the Juridical Department of the University. Has worked as a trainee in Sofia City Court and as a tutor of the Theory of the State and Law at Sofia University. Married. Speaks Russian and English.

One of the young and perspective figures in the BSP. During the elections for a Grand National Assembly he won his place in Parliament after a close fight in the "blue citadel" Sofia. Parliament Member in the 36th National Assembly. In the parliamentary elections in December 1994 his candidature was not put forward and some monitors consider this as a preservation of his strength for other aims.

Vice-chairman of the Higher Council of the BSP, elected as such at its 41st Congress /1994/.

**ALEXANDER LILOV** – Member of Parliament.

62 years old. Has graduated Bulgarian Language and Literature at "Sveti Kliment Ohridski" University of Sofia and Aesthetics at the Academy for Social Sciences in Moscow. Professor, doctor of the Philosophical Sciences, a Corresponding member of the Bulgarian Academy of Sciences /BAS/. Made a Komsomol career in his youth. Reached high posts in the echelon of the Party during the communist regime and was later put out of the way by Todor Zhivkov for ideological differences. Author of scientific works and other articles. After November

10th 1989 returns as the leader of the Party, which was renamed Bulgarian Socialist Party at its 39th Congress. Married, with two children. Speaks English and Russian.

Member of Parliament in the Grand, 36th and 37th National Assemblies. Member of the Higher Council of the BSP and Director of the Centre for Strategical Research of the Higher Council of the BSP.

Motto: "Bulgaria and Bulgarian politicians – it is not possible to live or survive in hate, mud and separation!"

**ANDREI LUKANOV** – Member of Parliament.

57 years old. Born in Moscow, in the family of an eminent figure of the Bulgarian Communist Party. Third generation socialist. Has graduated the Moscow State Institute of International Relations. Has occupied important state and Party posts in the hierarchy of the totalitarian regime. Representative of the liberal-reformation wing in the leadership of the Party which led to the taking the power away from Todor Zhivkov on November 10th 1989.

Member of Parliament in the Grand, 36th and 37th National Assemblies. In 1990 he was Prime Minister of two consecutive governments of the Republic of Bulgaria. Later together with other ex-leaders of the Party during the totalitarian regime, he was accused and involved in a law suit for squander of means.

Married, with two children. Speaks English, Russian, French and Spanish. Motto: "Live so, that you will not be ashamed of yourself!"

**SVETOSLAV SHIVAROV** – Chairman of the "Alexander Stamboliisky" Bulgarian Agrarian People's Union, Deputy Prime-Minister and Minister of Agriculture.

51 years old. Has graduated the



Juridical Department of the "Sveti Kliment Ohridski" University of Sofia. Has worked as a regional Public Prosecutor in the town of Pomorie and was an activist of the Bulgarian Agrarian People's Union in the town of Bourgas. Fourth generation agrarian. Has been elected at high posts in the Standing Committee and the Ruling Council of the Agrarian Union before 1990. Married, with two children.

Member of Parliament in the Grand National Assembly, where he was elected from the list of the Bulgarian Agrarian People's Union. At the elections for the 37th National Assembly he was included in the list of the Coalition BSP, the "Alexander Stamboliiski" Bulgarian Agrarian People's Union and the "Ecoglasnost" Political Club.

Deputy Prime Minister in the cabinet of Jean Videnov. Chairman of the National Council for Social and Demographic problems.

**STEPHAN GAITANDZHIEV** – Vice-chairman of the Parliamentary Group of the Democratic left forces.

48 years old. Has graduated Philosophy, M. Sc., research worker at the Institute for the State and Law at BAS. Married, with one child. Speaks Russian and German.

Founder and secretary of the "Ecoglasnost" Political Club, which was formed after the split of "Ecoglasnost" in March 1990. In 1995 he was elected Chairman of the Club.

Member of Parliament in the Grand National Assembly, elected from the list of the UDF. In the 37th National Assembly was elected from the list of the Coalition BSP, the "Alexander Stamboliiski" Bulgarian Agrarian People's Union and the "Ecoglasnost" Political Club.

**IVAN KOSTOV** – Chairman of the UDF, Member of Parliament.

46 years old. Has graduated Economics at the Higher Economics Institute in Sofia, and later – Mathematical Modulating of the Economic processes at the "Sveti Kliment Ohridski" University of Sofia. M. Sc. MA of the economic sciences. Since 1992 associate professor in economics. Married, with two children. Speaks English and Russian.

Member of Parliament in the Grand, 36th and 37th National Assemblies, elected with the list of the UDF. Non-party member. Minister of Finance in the Government of Dimitar Popov and in the Government of Philip Dimitrov.

At the Seventh National Conference of the UDF /April 29th-30th 1995/ was elected Chairman of the UDF. His election was connected with a structural reform in the coalition and changes in the functions of its governing bodies as well as in the political approach towards supporters and formations.

Attached to the sentation: "No one throws stones at a barren tree."

**NADEZHDA MIHAILOVA** – Vice-chairman and spokesman of the UDF, Member of Parliament.

33 years old. Has graduated Philology at the "Sveti Kliment Ohridski" University of Sofia. Occupies herself in literary works, poetry and translation. Right after November 10th 1989 specialised at the Congress of the USA and at the Harvard University. Married, with two children. Speaks English, Spanish and Russian.

Enters politics as a new figure from the UDF after its victory at the elections on October 13th 1991. Director of the Press Centre of the UDF. Spokesman of the Government of Philip Dimitrov till it was forced to resign on November 20th 1992.

Member of Parliament in the 37th National Assembly, elected with the



list of the UDF. Member of the Radical Democratic Party.

**YORDAN SOKOLOV** – Chairman of the Parliamentary Group of the UDF, Member of Parliament.

62 years old. Has graduated the Juridical Department of the “Sveti Kliment Ohridski” University of Sofia. Third generation lawyer. Has large and long lawyer’s practice, famous for his handling of divorce cases. Married, with two children. Speaks French and Russian. Enters the political life after November 10th 1989 as co-founder of the Juridical Centre of the UDF. Later was juridical advisor of President D-r Zhelyu Zhelev on a voluntary basis.

Minister of Internal Affairs in the Government of Philip Dimitrov. After the fall of that Cabinet returned to his lawyer’s practice.

Member of Parliament in the 37th National Assembly, elected with the list of the UDF. Member of the National Club for Democracy.

Slogan: “I rely on the unity and the professionalism of the new Parliamentary Group of the UDF”.

**PETAR STOYANOV** – Vice-chairman of the UDF, Vice-chairman of the Parliamentary Group of the UDF, Member of Parliament.

43 years old. Has graduated the Juridical Department of the “Sveti Kliment Ohridski” University of Sofia. Has worked as a lawyer. Married, with two children. Speaks German.

Deputy Minister of Justice in the Government of Philip Dimitrov. Chairman of the Juridical Council of the UDF. Vice-chairman of the National Club for Democracy.

At the Seventh National Conference of the UDF /April 29th-30th 1995/ was elected Vice-chairman of the UDF – one of four deputies, in the team of Kostov, who represent the new face of

the coalition after its structural reforms.

Vice-chairman of the Commission for the Youth, Sports and Tourism at the National Assembly.

Favourite phrase: “If it is not stated in the law it does not exist”.

**ALEXANDER YORDANOV** – Chairman of the Radical Democratic Party, Member of Parliament.

43 years old. Has graduated the Higher Pedagogical Institute in the town of Shoumen, specialty – Bulgarian Language and literature. MA of the Philological Sciences. Author of a number of books, research works and scientific articles. Married, with two children. Speaks Russian and French.

Enters politics right after November 10th 1989 as a member of the restored Radical-democratic Party and as a participant in the National Round Table.

Member of Parliament in the Grand, 36th and 37th National Assemblies, elected with the list of the UDF. One of the 39 Members of Parliament who left the Grand National Assembly and did not vote in it the Constitution of the state. Elected Chairman of the 36th National Assembly after Stefan Savov resigned from that parliamentary post.

Chairman of the Radical Democratic Party, elected as such at its 25th Congress in June 1993. Later inner contradictions put forward the question should the Party remain “in” or “out” of the UDF. This led to a split in the Party into two formations, arguing as to which has a right to the name and is legitimate.

**EDUIN SUGAREV** – Chairman of the National Movement “Ecoglasnost”, Member of Parliament.

42 years old. Has graduated Bulgarian Language and Literature at the “Sveti Kliment Ohridski” University of Sofia. MA of the Philological sciences.



Author of literary and scientific works and articles, poetry, criticism. Married with two children. Speaks German and Russian.

Before November 10th moved with dissident-minded intellectuals as an activist of "Ecoglasnost" and editor of the magazines "Glas" and "Most", which he published alone.

Member of Parliament in the Grand, 36th and 37th National Assemblies, elected with the list of the UDF. One of the 39 Members of Parliament who left the Grand National Assembly and did not vote in it the Constitution of the state. Later known for his individual protest action – hunger strike, wanting the resignation of President Zhelyu Zhelev.

Editor-in-chief of the "Literaturen Forum".

**ANASTASIA MOSSER** – Co-Chairman of the People's Union – the Bulgarian Agrarian People's Union, the Democratic Party. Member of Parliament.

58 years old. Daughter of the eminent agrarian leader and opposition figure G.M.Dimitrov. In 1962 went to the USA where she graduated French Language and Literature. Married to prof. d-r Charles Mosser – specialist in Slav languages and Bulgarian. Speaks English and French.

Returns to Bulgaria and enters the political life after November 10th 1989. At the revival Congress of the Bulgarian Agrarian People's Union in November 1992 is elected as Chief Secretary of the Union.

Member of Parliament in the 37th National Assembly, elected with the list of the People's Union. Co-Chairman of the Parliamentary Group of the Union.

Motto: "Peace, bread, freedom and sovereignty of the people", which is the motto of the Union as well.

**STEFAN SAVOV** – Co-Chairman of the People's Union – the Bulgarian Agrarian People's Union, the Democratic Party. Member of Parliament.

71 years old. Comes from a family where a number of intellectuals of the Bulgarian National Revival were born. His father was Minister of Justice in the Government of Bagryanov before 1944. His family was repressed by the communist regime. Has graduated the Juridical Department of the "Sveti Kliment Ohridski" University of Sofia. Has worked as a builder. Later devotes himself to translation activities. Speaks Spanish, French and German. Member of the Union of Interpreters of Bulgaria. Widower, with one child.

Right after November 10th 1989 takes part in the restoration of the Democratic Party, and later is elected its Chairman.

Member of Parliament in the Grand and 36th National Assemblies /elected with the list of the UDF/ and in the 37th National Assembly, elected with the list of the People's Union. Chairman of the 36th National Assembly and later removed from that post.

In the elections in December 1994 participated in coalition with the Bulgarian Agrarian People's Union after the Democratic Party left the UDF.

Co-Chairman of the Parliamentary Group of the People's Union.

**AHMED DOGAN** – Chairman of the MRF, Member of Parliament.

41 years old. Has graduated Philosophy at the "Sveti Kliment Ohridski" University of Sofia. MA of Philosophical Sciences. Research worker at the Institute for Philosophy at BAS. Has worked as a lecturer at a Higher Institute. Married, with one child. In November 1995 married for the second time after a much spoken about divorce. Speaks English, Turkish and Russian.



In 1985 took part in the founding of a resistance movement against the regeneration process. Sentenced to ten years in prison and deprived of his MA degree. Set free in December 1989.

On January 4th 1990, together with supporters, founded the Movement for Rights and Freedoms – a party of the ethnical Turks in Bulgaria and was elected its Chairman.

Member of Parliament in the Grand, 36th and 37th National Assemblies.

**GEORGE GANCHEV** – Chairman of the Bulgarian Business Bloc /BBB/.

57 years old. Famous national fencing sportsman in his youth. Left Bulgaria in the early 60-ies. More than three decades lived abroad. Built an artistic and business career in England and the USA. Divorced, with two children. Speaks English.

Entered political life after November 10th 1989. At the end of 1990 founded the Bulgarian Business Bloc /BBB/ and was elected its Chairman at the Constituent Congress. One of the most colourful figures in the Bulgarian political life. Sociologists define him as the sole person with personal /not due to party support/ electorate. As a candidate for President of the Republic of Bulgaria in the elections in 1992 he received over 17 per cent of the votes and was third in the first round.

Elected as a Member of Parliament in the 37th National Assembly with the list of the BBB. Later forced to leave the Parliament because of dual citizenship, which infringes the Election law.

**D-r PETAR DERTLIEV**

79 years old. Has graduated Medical Sciences. All his life has combined his career as a doctor with the life of a politician. A social-democrat, repressed for his ideas not only before, but also after September 9th 1944. Has spent many years in camps, forced to

live out of the capital and locked in prison. Married, with two children. Speaks English and French.

One of the initiators for the revival of the Bulgarian Social Democratic Party /BSDP/ right after November 10th 1989 and its inclusion in the UDF.

Member of Parliament in the Grand National Assembly. Candidate for president of Bulgaria when the Grand National Assembly was to appoint the state leader in July 1990. Did not approve the boycott of the 39 Members of Parliament, who did not sign the Constitution. He, himself, signed the document. This deed marks the beginning of a dramatic confrontation with the National Coordination Council of the UDF and the separation from the Blue Coalition.

In the elections in October 1991 participated in the list of the Coalition the UDF-Centre, but did not manage to overcome the percentage barrier. At the next elections in December 1994 participated in coalition with the Democratic Alternative for the Republic, but also without success.

Has active international contacts as leader of his Party, Member of the Social Democratic International.

Director of “Svoboden Narod” /Translated: “Free Peoples”/ – weekly of the BSDP.

**ALEXANDER TOMOV** – Chairman of the Civil Alliance for the Republic.

41 years old. Has graduated Political Economics at the State University in Leningrad. MA of the Economic Sciences, assistant professor. Has been a lecturer and advisor at the Council of Ministers before November 10th 1989. Married, with two children. Speaks English and Russian.

Member of Parliament in the Grand and the 36th National Assemblies, elected with the list of the BSP. Deputy Prime Minister in the Government of



Dimitar Popov. Vice-chairman of the Higher Council of the BSP.

In May 1993 was elected Chairman of the Civil Alliance for the Republic – a political formation, founded at the initiative of 15 Members of Parliament and 31 scientists and public figures from the 36th National Assembly. At the parliamentary elections on December 18th 1994 entered the list of the Democratic Alternative for the Republic /DAR/ but could not overcome the percentage barrier.

**DIMITAR LUDZHEV** – Chairman of the “Nov Izbor” Union /Translated: New Choice/.

45 years old. Has graduated the Higher Economics Institute “Karl Marx”, specialty Political Economy and Sociology. MA of the Historic Sciences. Married, with two children. Speaks Russian, English, French and Polish.

Enters the political life after November 10th 1989 as one of the founders of the UDF and a participant in the National Round Table.

Member of Parliament in the Grand and the 36th National Assemblies, elected with the list of the UDF. Deputy Prime Minister in the Government of Dimitar Popov. Minister of Defence in the Government of Philip Dimitrov.

His alternative ideas for a new kind of policy led to a break in the relations with the leadership of the UDF at the end of 1992. In March 1993, as Co-Chairman, he became head of a new, forth Parliamentary Group – “Nov Izbor”, consisting of Members of Parliament who have left the UDF.

In the parliamentary elections in December 1994 his formation “Nov Izbor” participated independently, but remained beneath the 4 per cent barrier.



# PARTIES AND COALITIONS

## OVER 170 POLITICAL FORMATIONS ARE OFFICIALLY REGISTERED

**T**he political space in Bulgaria is overpopulated with political formations. The number of organisations, registered according to the Law for the Political parties, is over 170. A characteristic feature of the rather long list is the repetition – frequent and numerous – of the same names and the same abbreviations. This fact reflects the specific processes of inner political struggles and splits which show the pretensions for legitimacy of all disputing sides. The texts after hyphens and in brackets make clear how much fragmented is the party terrain.

### • Political Coalitions and Parties Represented in the National Assembly

#### I. THE BULGARIAN SOCIALIST PARTY, THE “ALEXANDER STAMBOLIISKY” BULGARIAN AGRARIAN PEOPLE’S UNION, THE “ECOGLASNOST” POLITI- CAL CLUB

The coalition came into being on November 2nd 1994 in Sofia, took part in the parliamentary elections in December 1994 and won 51.54 per cent of the votes /125 places/ with which it acquired absolute majority in the 37th National Assembly.

#### THE BULGARIAN SOCIALIST PARTY /BSP/

A party with a history of more than a hundred years, founded in 1891 as the Bulgarian Social Democratic Party, part of which, in 1903, separated under the name Bulgarian Workers’ Social Democratic Party /left-wing socialists/. In 1919 it changed its name and became the Bulgarian Communist Party /left-wing socialists/ (BCP) and later /in 1924/ was banned. In 1927 the Workers’ Party, as a legal manifestation of the BCP, was created only to be banned in 1934. In 1938 the two parties united under the name Bulgarian Workers’ Party /communists/. In 1948 it changed its name to the Bulgarian Communist Party. With a resolution of its 39th Congress in April 1990 the Party accepted the name Bulgarian Socialist Party /BSP/. It was a parliamentary power in the Grand and the 36th National Assemblies.

#### “ALEXANDER STAMBOLIISKY” BULGARIAN AGRARIAN PEO- PLE’S UNION

It was created on March 15th 1993 and acquired the name of the outstanding agrarian leader Stamboliisky after a complex process of inner struggles and



splits of several formations with different orientation and is now with the pretensions of sole historical heir to the rights of the name Bulgarian Agrarian People's Union. It is within the Parliamentary Group of the Democratic Left-wing in the 37th National Assembly.

#### **"ECOGLASNOST" POLITICAL CLUB**

In July 1991, after the split of the Independent Association "Ecoglasnost", it declared itself a separate formation. It was a coalition partner of the BSP in the elections of December 1994. It is within the Parliamentary Group of the Democratic Left-wing in the 37th National Assembly.

#### **II. THE UNION OF DEMOCRATIC FORCES /UDF/**

Formed on December 7th 1989. Parliamentary present in the Grand and the 36th National Assemblies. According to the signed on September 6th 1994 Political accord between the parties and organisations in the UDF members of the coalition were 18 formations. In the parliamentary elections in December 1994 it won 28.71 per cent of the votes /69 places/ with which it is second according to number of places in the 37th National Assembly.

#### **PARTIES AND MOVEMENTS – MEMBERS OF THE COALITION**

Bulgarian Democratic Forum, "Nikola Petkov" Bulgarian Agrarian People's Union within the UDF, the Movement "Civil Initiative" – UDF, the Conservative and Ecological Party, the National Club for Democracy, the "Ecoglasnost" National Movement, the New Social Democratic Party, the United Christian Democratic Party

(UCDP), the Radical Democratic Party /within the UDF/, the Republican Party, the Social Democratic Party, the Union of the Repressed in Bulgaria after September 9th 1944, the Federation of the Independent Students' Unions, the Christian Democratic Union, the Democratic Party 1896, the Christian Union "Spasenie" /translated: "Salvation"/.

The Seventh National Conference of the UDF /April 1995/ approved a structural reform, which guarantees representation of all full-members of the coalition in the governing body – the National Coordination Council.

#### **III. THE PEOPLE'S UNION – THE BULGARIAN AGRARIAN PEOPLE'S UNION, THE DEMOCRATIC PARTY**

The political agreement to create the Union was signed on October 24th 1994. The Union participated in the parliamentary elections in December the same year and won 7.71 per cent of the votes and with its 18 places ranks third in the 37th National Assembly.

#### **BULGARIAN AGRARIAN PEOPLE'S UNION**

On November 7th and 8th 1992 a restoration congress of the Union was held. The formation was registered on May 4th the same year under the name Bulgarian Agrarian People's Union and took its place among a configuration of several agrarian formations which use – with corresponding additional and specified explanations – the same abbreviation. It is an observer-member of the European Christian Democratic Union.

#### **THE DEMOCRATIC PARTY**

One of the oldest conservative parties in the country, it was created in 1896 by



Bulgaria's first Prime Minister Petko Karavelov. It was banned in 1947. Restored on December 19th 1989. It was parliamentary present in the Grand and the 36th National Assemblies within the coalition of the UDF.

#### **IV. THE MOVEMENT FOR RIGHTS AND FREEDOMS**

Created on January 4th 1990 the Movement unites and defends the human rights mainly of the Bulgarian population with Turkish origin. It was a parliamentary force in the Grand and the 36th National Assemblies. It is with its mandate that the government headed by prof. Liuben Berov was composed and it governed the country until the pre-term parliamentary elections on December 18th 1994. With 6.45 per cent of the votes at the elections in December 1994 it won 15 places in the 37th National Assembly.

#### **V. THE BULGARIAN BUSINESS BLOC /BBB/**

The decision for its creation was taken on November 24th 1990. The constituent Congress was on December 10th the same year. It participated independently in the elections for the 36th National Assembly in October 1991 but did not overcome the 4 per cent barrier. In the elections on December 18th 1994 it won 5.6 per cent of the votes and took 13 places in the 37th National Assembly. The parliamentary group underwent metamorphoses during the period of its existence.

### **• Non-Parliamental Parties and Coalitions**

The votes of the population in December 1994 left out of the Bulgarian Parliament a number of the registered for participation 48 parties and formations. Some of them formed coalitions in the eve of the pre-term election, others tried their political chance independently, but none managed to overcome the 4 per cent barrier.

For the non-parliamental forces 1995 was a year of changing political life: the accord among the partners within some of the coalitions proved too fragile, while the readiness for new regroupings and leadership was definitely present. Their influence as a non-parliamental opposition on the political scene and on the society as a whole wasn't well expressed either.

#### **DEMOCRATIC ALTERNATIVE FOR THE REPUBLIC**

The Union was created on September 26th 1994. Its members are: the Civil Alliance for the Republic, the Alternative Social Liberal Party, the Bulgarian Social Democratic Party, the Green Party in Bulgaria. The formation was quite close to the 4 per cent barrier and its not overcoming it, according to monitors, was the biggest surprise at Elections '94.

Only 4 other parties and formations managed to gather a per cent of the votes of the population: The Bulgarian Communist Party, the Patriotic Union, the "Nov Izbor" Union /translated: "New Choice"/, the "Kingdom of Bulgaria" Federation.



# 4. NATIONAL ECONOMY

## SOME POSITIVE TRENDS IN 1995 INVITE CAUTIOUS OPTIMISM

**T**he economic reform started in Bulgaria five years ago with the market economy as the ultimate goal. Pulling out of the excessively grave recession that gripped the economy in late 1980s, correcting imbalances in the financial, commodity and capital sphere and opening the economy and gradually integrating it into the world process developed as spin-offs in the transition from a centrally planned to free economy. Unlike the other countries of Central and Eastern Europe Bulgaria is achieving these goals at a lower pace and the scope of radical reforms in all sectors and areas of the national economy is narrower. Nonetheless some positive trends showed up in 1995 and a more detailed analysis invites the conclusion there is every reason to expect a transition of the economy to a new state of conserved inertia forces that determine the Gross Domestic Product growth and elimination of stagnation. This fact along with the first wave of mass privatisation that has started should play the role of a key factor in the advancement of economic change and establishment of market principles in Bulgaria.

### • 1995 Key Economic Indicators

1995 statistics and the main trends of Bulgaria's economic development give the following picture:  
Gross Domestic Product (GDP).

Compared to 1993 that general indicator of development of all sectors of the economy increased by 2.5% and by BGL 852 billion as against 548 billion in 1994. Though the growth rate was not particularly high it indicates a positive dynamics of the process of economy revival. If the changes required for the driving forces of growth occur in 1996 and the following years and growth is given an impetus by investment factors the forecast is that within a short term the Bulgarian economy will pull out of stagnation and be on the rise. Industry. 5% increase over 1994. That growth made industry a driving sector of the whole economy. About 75% of the growth is a result of development in three sectors: chemical and petrochemical industry and metallurgy. Growth is reported in another seven sectors of which the generation of electricity and heat was the greatest.

Regrettably negative trends as steady fall of amounts turned out by the food industry, non-ferrous metallurgy and printing continue in that sector of the economy. These facts show that the restructuring of the economy in general and of light industry in particular on which great hopes are pinned in view of the favourable conditions and factors for its development is in an apparent crisis. Indeed there is an explanation for stagnation in industry: it is the drastic fall in personal income and consumption in the past six years in Bulgaria. The 1995 consumption level which is not different from that in 1994 is one of



the powerful factors of the lower annual inflation rate. In 1994 it was 122% whereas in 1995, 33% which is almost three times lower.

Food prices of the consumer basket increased by 23.6%; non-food prices increased by 36.4%. The prices of services increased most, by 57.1% over 1994.

The lower price rise will have a positive effect on the gradual check of deprivation in the future. The drastic fall of the Bulgarian's living standards from 1990 onwards has reduced about 80% of the population to the verge of the social minimum and today about 34% of the people are below the poverty line. That is why partial success in curbing the price rise and the optimistic forecasts of the major macroeconomic indicators in subsequent years and the GDP growth, the decreasing budget deficit, the growth of overall investment etc. give confidence of expected improvement in living standards and the population's purchasing ability.

In 1995 unemployment went down from 20.5% in 1994 to 14.7% according to the Ministry of Labour and Social Welfare. Another 120,000 jobs were created which is direct result of the boosting businesses in industry and construction.

Foreign trade was one of the economy sectors with positive results in 1995. Two progressive trends surfaced: 1. the positive foreign trade balance which last year amounted to about 500 million USD and showed the steady precedence of export over import; 2. rechanneling of foreign trade flows from the ex Soviet market that prevailed in the recent past to the countries of Europe and the Organisation of Economic Co-operation and Development. Today some 30% of Bulgaria's foreign trade is with OECD countries and over 35% with countries of Central and Eastern Europe.

Despite these good results it should be remembered that the Bulgarian products are not much competitive and this cannot make lasting inroads in international markets.

## • Outstanding Problems of the Economic Reform

Existing problems and their protraction complicate the transition to market economy. The slow pace of the structural reform and particularly of the privatisation of state-owned and municipal enterprises is one of the essential outstanding problems.

The excessively slow pace of change in structural reform which is the most important sphere was not overcome in 1995 either. Denationalisation pace is slower than the potentials of the government which sells and of the Bulgarian and foreign buyers. Surprisingly given all legislative conditions for privatisation, unity of action between the Executive and the Legislature and interest expressed by potential investors, the Privatisation Agency sold 45% of what it was planned to. Diverging economic interest and the slow and painful compilation of the lists of units to be offered for mass privatisation are the main reason for the delay of privatisation in 1995. To these we should add some unfounded and unnecessary reconsideration of transactions even with foreign partners, amendments to laws which often make the process difficult and discourage foreign investors – for instance the amendment providing for privatisation by bonds buying Bulgaria's external debt that initially aroused great interest, etc. These shortcomings should be overcome by the mass privatisation that will closely follow the model of the Czech Republic and Slovakia. The 1996 plan envisages to sell completely or partially 1006 state-owned enterprises which account for about 30% of the long-term assets of the economy. Some 6.5 million Bulgarian citizens are entitled to receive vouchers amounting to 25,000 BGL for direct participation in the tenders selling companies and enterprises or by delegating their right to privatisation funds.

The slow restructuring of the sector, technology and product organisation of the economy is another outstanding



problem. The lack of serious investment to modernise and renovate outmoded production facilities and the slow pace at which new technologies and management are incorporated predetermine the prevailing percentage of technology systems and production methods that were characteristic of the 60s and 70s. These are excessively material- and capital-intensive; the consumption of raw materials, electricity and financial resource is severalfold over the Western "counterparts". This foredooms the low competitive ability of Bulgarian exports which is of key importance for the whole economy owing to its high share in the Bulgarian economy.

On the other hand the clumsy and obsolete economic structure is a serious obstacle to Bulgaria's integration into the world market economy and along with that slows the pace of economic reforms as a whole.

The problem of the small presence of foreign investment in Bulgaria is assuming particular significance in this context. The low level of foreign investment in the economy where 860 million USD were invested between 1990 and today is determined by a number of factors. The double decrease of foreign investment in 1995, 102 million USD over the 250 million in 1994 is a very unfavourable fact. Regrettably the Government and Parliament did not do anything to make Bulgaria economically more attractive to foreign businessmen. For instance foreign investors were not guaranteed some preferential treatment as they were in the other ex socialist countries where they prefer to take their capital exactly for this reason. Therefore it would be sensible as soon as possible to change the conditions to attract foreign investors in order to take Bulgaria out of the group of countries with least attracted foreign capital and hence, with least chances for technology modernisation and improvement.

In 1995 the growth of the private sector remained one of the ever improving areas of development of the structural reform with a steady growing tendency.

In 1991 the private sector generated 18.6% of the GDP whereas in 1993, 1994 and 1995 it generated respectively 35.4%, 37.9% and 44.1%. The private sector is the most dynamically developing sector of the economy with about 75% of the retail trade, 12% of the industrial output, 13% of transport and approximately 40% of the employment. The excessively difficult starting conditions of Bulgaria's transition to market economy and the losses sustained because of abidance by the sanctions against Iraq, Libya and the former Yugoslavia and the political instability in the past years are the reason for the slow pace of changes in the country and of the process of regeneration of the economy. Hence some positive results in basic spheres of the economy like the GDP growth, the lower inflation and unemployment and the positive trade balance that invite cautious optimism over development trends next year and in the foreseeable future. The favourable economic situation and the European and world economy whose development rates are forecast at about 4-4.5% and the large-scale denationalisation and consolidation of private entrepreneurship which is the main driving force of growth and change are the main factors of this optimism. The restructuring of foreign trade which is oriented to European markets primarily will provide greater opportunities to find new areas of co-operation. That process will continue to promote the even development of the whole economy. Privatisation and the better management of state-owned and public enterprises will help rehabilitate the financial and credit system on condition that the regulatory institutions pursue the macroeconomic targets as set unswervingly and steadily. Concomitant political stability and completion of the legal and institutional frame of the reform, the operation of the driving forces of competition and market behaviour give grounds to expect that very soon the Bulgarian economy will reach a new phase: continual rise and gradual integration into the world economy.



# ECONOMY IN FIGURES

## GROSS DOMESTIC PRODUCT (in mln leva in current prices)

1991	1992	1993	1994	1995*
135,711	200,832	298,934	548,015	852,000

\* Prognose

## STRUCTURE OF THE GROSS DOMESTIC PRODUCT IN % IN SECTORS OF THE ECONOMY

	1993	1994
TOTAL	100.0	100.0
Agriculture and Forestry	10.6	11.8
Industry	35.0	35.5
Services	54.4	52.7

## PERCENTAGE OF THE GROSS ADDED VALUE IN THE PRIVATE SECTOR (in prices of the respective year)

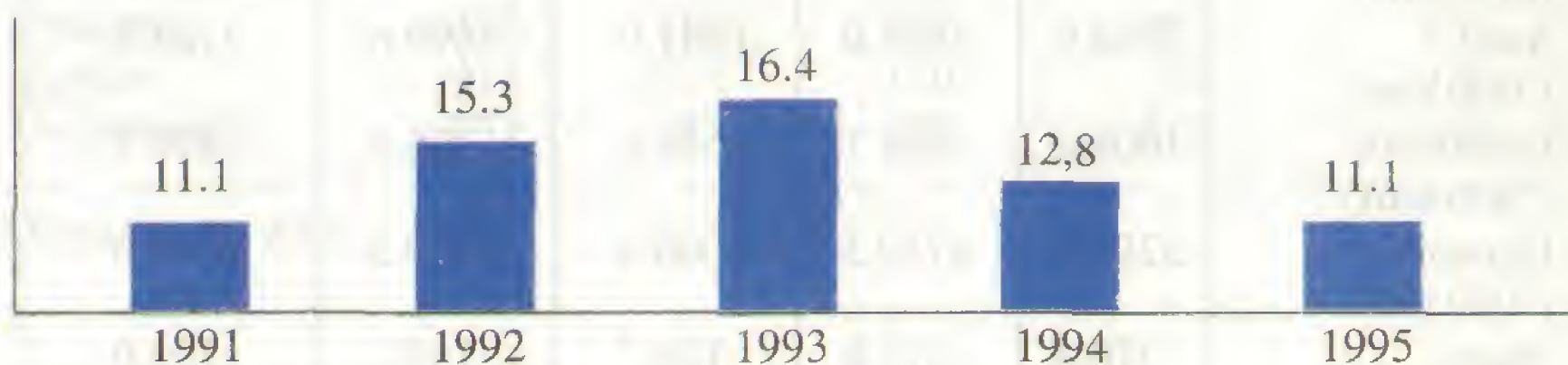
	1991	1992	1993	1994	1995*
TOTAL FOR THE PRIVATE SECTOR	18.6	25.7	35.4	37.9	44.1
Agriculture and Forestry	5.4	6.7	7.2	9.1	.
Industry	2.6	4.2	6.0	6.3	.
Services	10.6	14.8	22.2	22.5	.



**EMPLOYMENT IN SECTORS IN 1995**  
(in %)

	Total	Private sector
Industry	27.7	10.5
Construction	5.8	7.0
Agriculture and Forestry	24.6	49.3
Transport and Communication	6.8	3.9
Trade	11.3	20.4
Services	23.8	8.9

**UNEMPLOYMENT RATE**



**CONSUMER PRICES GENERAL INDEXES**

December 1990	150.6 base	May 1990	= 100
December 1991	573.7 base	December 1990	= 100
December 1992	179.5 base	December 1991	= 100
December 1993	163.9 base	December 1992	= 100
December 1994	221.9 base	December 1993	= 100
December 1995	132.9 base	December 1994	= 100

**AVERAGE MONTHLY SALARY**

Year	Average gross monthly salary in leva	Average USD-BGL exchange rate	Dollar denominated average salary
1991	1012	21.811	46.4
1992	2047	24.800	82.5
1993	3231	31.983	101
1994	4960	65.526	73.6
1995	7320	67.168	109



<b>INDUSTRIAL OUTPUT</b> (in mln leva in current prices)				
	1992	1993	1994	1995
TOTAL	222,815	255,838	487,074	790,952

<b>INDUSTRIAL OUTPUT</b>					
	1985	1990	1993	1994	1995*
Electricity (bln kWh)	41.6	42.1	38.8	38.1	41.8
Coal (soft) (mln tons)	30.9	31.7	29.0	28.8	30.8
Steel (‘000 tons)	2944.0	2184.0	1941.0	2490.6	2723.5
Fertilizers (‘000 tons)	1009.4	957.7	656.5	726.5	879.7
Cement (‘000 tons)	5295.9	4710.3	2006.4	1910.2	2069.9
Paper (‘000 tons)	370.4	271.8	124.7	143.2	195.0
Machine tools (number)	5477.0	5014.0	2197.0	1979.0	2462.0
Trucks (‘000)	85.4	58.1	6.4	5.7	5.2
Cotton textile (mln meters)	351.3	290.5	71.5	69.9	74.0
Footwear (excl slippers) (mln pairs)	23.9	22.1	10.1	9.7	8.5
Grape wines (mln liters)	304.3	219.9	152.4	164.7	154.1
Tobacco products (‘000 tons)	94.0	75.8	32.1	53.7	74.6

\* preliminary data

<b>CARGO AND PASSENGER TRAFFIC: STATE AND MUNICIPAL TRANSPORT COMPANIES</b>				
	Cargoes (‘000 t)		Passengers (‘000)	
	1994	1995	1994	1995
Automobile	51673	48385	973652	967343
Railway	30274	32916	65730	58940
Waterway	17695	19222	61	28
Air	17	14	1542	1297



<b>LAND USE ('000 decares) 1995</b>	
Agricultural area	61,590
Arable land and permanent crops	46,427
Grassland and other land	2,868

<b>CROP PRODUCTION ('000 tons)</b>					
	1990	1992	1993	1994	1995*
Wheat	5,292	3,443	3,618	3,754	3,438
Barley	1,387	1,195	933	1,143	1,171
Maize	1,221	1,742	983	1,384	1,792
Oriental tobacco	57	53	36	26	12
Field tomatoes	846	413	325	477	530
Potatoes	433	566	357	497	656
Apples	411	221	110	76	146
Grapes total	731	787	482	516	692

\* Preliminary data

<b>LIVESTOCK PRODUCTION</b>					
	1990	1992	1993	1994	1995*
Milk (mln liters)	2,385	1,806	1,531	1,420	1,403
Eggs (mln)	2,460	1,639	1,624	1,751	1,996
Wool ('000 tons)	28	19	14	12	9

\* Preliminary data

<b>LIVESTOCK (1 Jan.1996)</b>				
	All Categories of Farms		Private Farms	
	Head	96/95 in %	Head	96/95 in %
Cattle, incl.cows	631,739	99.0	512,324	100.6
Pigs	371,235	105.9	317,244	108.8
Sheep	2,140,011	107.7	1,267,003	119.3
Poultry	3,383,034	99.6	3,143,451	100.2
	18,609,320	97.3	13,753,394	101.2



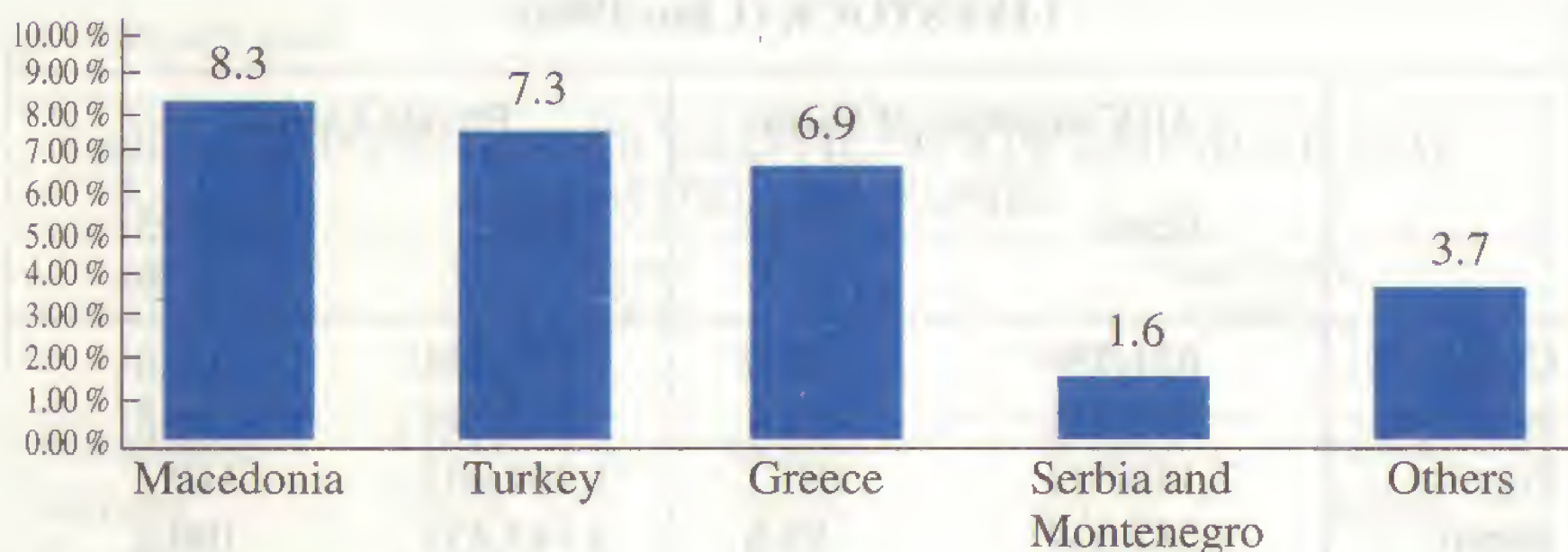
## FOREIGN TRADE

TRADE BALANCE (in mln leva in prices of the respective year)			
	IMPORT	EXPORT	BALANCE FOB/FOB
1985	14,066.5	13,739.4	- 327.1
1990	10,314.9	10,559.5	244.6
1991	45,132.4	57,368.3	12,235.9
1992	104,281.2	91,532.9	- 4,511.0
1993	131,523.1	102,877.4	- 10,504.0
1994	227,010.3	216,194.4	6,757.5
1995	339,402.3	343,337.7	28,615.3

EXPORT AND IMPORT BY GROUPS OF COUNTRIES (in percentage)						
	Export			Import		
	1993	1994	1995	1993	1994	1995
OECD	43.2	49.9	50.0	41.3	45.2	47.1
CEEC*	35.1	39.0	32.4	43.0	40.4	41.2
European Union	28.2	35.6	37.2	28.9	32.8	38.1
EFTA	3.0	1.8	1.6	5.5	6.2	1.9
Arab countries	7.2	5.1	5.9	4.7	1.7	2.0

\* Central and East European countries = Albania, Romania, Poland, Hungary, ex USSR, ex Yugoslavia, ex Czechoslovakia

### THE BALKAN COUNTRIES' SHARE IN BULGARIAN EXPORTS (1995 - in %)





# AGRICULTURE

## OWNERSHIP ON 68.6 % OF THE LAND IS RESTORED, ACCORDING TO THE GOVERNMENT

**I**n 1995 Bulgarian agriculture was developing under the influence of two major factors – the efforts to stop destructive processes in the branch having taken place during the last years, and the strive to give a push of the agrarian reform.

During the year agriculture managed to cope with several serious problems.

The most important of these is the seizure of the activity of the liquidation councils which, after the break up of the co-operative farms, became useless management bodies of the agricultural production. The management was committed to the producers of agricultural production and the owners of the land themselves.

The other problem is related to the restoration of property on arable land. This process continued in 1995, too, when the right of property on 23.8 per cent of the arable land was restored. Thus, 68.6 per cent of the land is already with restored property.

Conditions occurred for economic and organisational stabilisation of the agricultural activities. For the first time in the last years the rural producers received the means of production really. This was a realised prerequisite for creation of private farms and new co-operations.

Throughout the year the number of pri-

vate farms reached 1,777 thousand with average size of the arable land 13.5 decares. The number of co-operative farms grew and in the beginning of 1996 reached 2,800. 1.2 million co-operated farmers are united therein. The average size of the arable land per co-operation is about 7,667 decares.

Serious problems in the process of implementation of the agrarian reform cause the requirement for restoration of property on agricultural estates in their one-time borderlines. By a parliamentary decision an article of the law of agricultural reform was suspended, which stipulated that the land must be given back to its owners in the real borderlines of the time prior to the creation of the co-operative farms. With the abolition of that requirement, achieved by the parliamentary majority of the ruling socialist party and its coalition partners, some serious hurdles on the way to enlargement of the land within the newly formed agricultural co-operations were removed. In the same time, the amendment of the law gave birth to a contradiction with the constitutional requirement for inviolability of private property. On the insistence of the parliamentary opposition, the Constitutional Court restored the former requirement for observation of the real borderlines at the restoration of land ownership.



Throughout the year the agricultural production marked a growth of 2.5 to 3 per cent.

The country produced 3.523 million tons of wheat, whereas the average yield per decare was 300.1 kg – much less than the crops in 1989 and 1990 when the production was 5.425 and 5.292 million tons respectively, and the yield per decare was 476.5 and 455 kg respectively. 1.080 million tons of barley were produced as well in 1995.

Until October the country exported (after some sources) 555 thousand tons of corn, from which 500 thousand tons wheat. During the year heavy disputes have been carried on about the degree of satisfaction of the population with bread wheat. The accusations for the corn balance being unbound were very serious which led to sharp debates in Parliament and caused the resignation of the agrarian minister. In order to safeguard the country from speculative plundering of the population and the agrarian producer, the Government introduced protective minimum buying prices on corn for 1996.

Tobacco production, which traditionally is an important item in the export list of the country, lived through great difficulties. Large quantities of the tobacco crop were not bought which created discontent among the tobacco producers. During the year the country exported 62 thousand tons of cigarettes – consider-

ably more than the annual quantities exported in the last six years.

Stock-breeding, as a whole, a branch heaviest affected by the crisis, marked a slight increase, too. The difficulties here are not yet coped with. Within the framework of agricultural production, the share of stock-breeding dropped from 55 per cent in 1989 to 40 per cent in 1995.

The number of cattle reached 649 thousand heads which is by 13.4 per cent less than in 1994. The number of pigs grew by 15.8 per cent and reached 2.4 million. Sheep dropped by 11 per cent and reached 3,355 thousand heads. The increase in poultry is considerable – 16 per cent which brought the number to 21 million. 80 per cent of the animals are in the private sector.

Bulgarian agriculture works with less machines than in 1990. The total drop in the machine park for the last five years is 44.7 percent. In the beginning of 1995 there were 4,412 caterpillar tractors in the public and 220 in the private sector; wheeled tractors – 22,181 and 5,010 respectively; grain harvesters – 5,201 and 150 respectively; tractor ploughs – 11,903 and 26,000 respectively.

During the year the strongly destroyed irrigation agriculture, which from 1989 to 1995 lost, for reasons of ruin and robbery, 41 per cent of its pump stations and 78 per cent of its sprinklers, was not restored.



# PRIVATISATION

## MASS PRIVATISATION STARTED

**T**he beginning of the privatisation process in Bulgaria was set with the enactment of the Law on Transformation and Privatisation of State-Owned and Municipal Enterprises on April 23, 1992. In June 1994 and December 1995 the Law was supplemented with the opportunity for the mass privatisation by investment vouchers.

The Law separates the competency for implementation of privatisation among the different authorities:

1. The line ministries and committees – for state-owned enterprises with book value of the fixed assets up to BGL 70 mln (USD 1 mln).
2. The Privatisation Agency – for state-owned enterprises with book value of the fixed assets exceeding BGL 70 mln (USD 1 mln).
3. The Privatisation Agency following the approval of the Council of Ministers for some of the state-owned core companies.
4. The Municipal Councils for privatisation of municipal enterprises on a respective municipal territory.
5. The Centre for Mass Privatisation with the Council of Ministers for privatisation by investment vouchers.

The approved decentralised model is directed to the scope expanding privatisation processes by their parallel carrying out and relative independence.

### • Privatisation Methods and Transaction Schemes

The following world-wide known methods are applied for transfer of the own-

ership: public offering of shares, auction, tender or negotiations with potential buyers.

Foreign investors can participate using flexible schemes:

- buying out the company alone;
- joint purchase with Bulgarian investors;
- joint purchase with the employee/management partnership.

In conformity with the Bulgarian legislation up to 20% of the shares and stakes of a company are to be initially offered to the employees and management but the preferential purchasing right over those stakes is not always being fully consumed in practice.

### • Participants in the Privatisation Process

The Bulgarian and foreign candidates for purchasing enterprises enjoy equal rights. The selection of buyers is done by a precise comparison of the offers submitted. The legally regulated privatisation procedures provide for control and transparency upon selection of the offers.

Philosophy of forming the price and payment means:

The price of the transaction is specified by the payment at the moment of the transaction, the investment commitments, the undertaken or paid out liabilities of the company by the buyers.

The philosophy followed by the Privatisation Agency upon defining the transaction price is directed to the future restructuring and development of the privatised company.



The payment could be performed by different means: cash, external debt bonds of the Republic of Bulgaria, bonds under the Law on Settlement of the Non-Serviced Credits.

The bonds are very attractive for the buyers. By a decision of the Government the usage of external debt bonds is limited up to 50% of the transaction price.

### • **Public Pins Great Hopes on Mass Privatisation**

The 1995 market privatisation programme in Bulgaria envisaged that the Privatisation Agency and the line ministries were to conclude 584 transactions that were to generate BGL 14.3 bln. Despite the greater number of transactions over previous years results at the close of 1995 fell short of the cabinet's expectations. The sales were 291 and the financial result BGL 12.1 bln. A total of BGL 707 mln was paid to clean debts of privatised companies and debts amounting to over BGL 4 bln were taken over by the buyers. The buyers committed to investment programmes amounting to over BGL 9.8 bln.

The Privatisation Agency performed best with 69 transactions; the Ministry of Trade and Foreign Economic Cooperation was the runner-up with 54 transactions; the Ministry of Agriculture and Food Industry concluded 40 transactions; the Committee for Tourism, 37, etc. Most of the transactions in 1995 concerned small units and the main instruments were employees' stock ownership plan and management buy-out.

Thirty-two units were bought in 1995 with Brady bonds. This mode of paying part of the price wrote off USD 123.4 mln of Bulgaria's foreign debt. This is the face value of the bonds used in the swaps. Brady bonds can pay up to 50% of the price and buyers are not allowed to transfer abroad the income from stocks and shares in the course of four years and to transfer the liquidation quota or the price received from a sale in the

course of ten years. This mode of payment though is profitable for them as they get half or a quarter of the price against the face value depending on the kind of bonds. So far this technique has been used mostly in tourism, agriculture, food and light industry.

The Privatisation Agency has concluded 12 big transactions with foreign investors since market privatisation started. Three of these were concluded in 1995: the Belgian concern Interbrew bought Kamenitza and Bourgasko Pivo; the British Luxcraft Trading LTD bought the cannery Storko EAD.

### • **The Biggest Deals**

**KAMENITZA EAD** (January 25, 1995) – Interbrew, an international company producing beer, mineral water and soft drinks with head office in Belgium bought 70% of the shares of one of Bulgaria's leading breweries for which it paid USD 4,875,680 (including USD 218,000 to clean a debt that the Kamenitza was not servicing). The terms of the contract provide to retain at least 300 jobs in the next five years and make additional investment to the amount of 31,870,000 DM in the next seven years in order to modernise equipment and increase production capacity.

**BOURGASKO PIVO EOOD** (January 27, 1995) – Interbrew bought 67% of the brewery's capital paying USD 5,025,000 (half in cash and half in government bonds issued for Bulgaria's external debt). The buyer extended an interest-free loan of USD 200,000 to workers to support their participation in buying the 20% portion of privileged shares and agreed that after satisfaction of restitution claims by April 30, 1996 the company's remaining shares are to be offered for mass privatisation. In the next five years Interbrew will pay BGL 33,919,000 as part of the debt of Bourgasko Pivo, conduct the same business, keep 271 jobs and produce beer with local trade marks. In the next seven years the buyer will invest USD 19,700,000, all its own capital.



STORKO EAD (November 2, 1995) – the British Luxcraft Trading Ltd. acquired ownership on 223,022 shares each with a face value of BGL 1000 constituting 80% of Storko's capital. The transaction is a combined scheme of acquiring a majority stake by the buyer and turn-around management of the enterprise by cleaning and undertaking to clean debts to the amount of USD 12,9 mln. In the next three years the buyer will invest USD 6.5 mln in new equipment and technologies, retain all the 540 jobs offering a permanent contract of employment and stick to the same line of business.

MUNICIPAL PRIVATISATION covers mainly companies in trade, service, transport and building that are relatively small and therefore more accessible to investors. By privatisation the municipalities transfer ownership on the territories under their jurisdiction and rid themselves of irrelevant activities.

A total of 1213 companies were transferred into private hands in 1995. Thus the number of privatised municipal enterprises is 1650.

Between January and late November 1995 municipal privatisation generated BGL 4.3 bln.

The Sofia City Privatisation Agency which is Number One among the municipal agencies sold 145 units and the receipts were BGL 1,074 bln. In Sofia the range of owners expanded particularly by the tenancy and leasing deals that enabled the preferential buying of hundreds of shops, studios and shopping areas. The city budget received fresh investment; many units were restyled and redecorated. Some 1300 jobs were created.

## • The 1996 Programme

As the 1995 privatisation results did not meet the expectations, hopes to step up this process were pinned on the amendments to the Privatisation Law in December 1995 and the long waited mass privatisation which started in early 1996.

The cabinet approved an indicative list of 75 enterprises which are a priority in 1996 and whose faster privatisation it plans to support. The list includes projects in the chemical industry, mechanical engineering, wine-making and tourism in which investors are interested.

Privatisation in 1996 is expected to generate BGL 21 bln of which the Privatisation Agency is to contribute 17 bln. Half of the sum will be in cash and half in internal and external debt bonds.

The Government counts on these receipts in the identification of the 1996 macroeconomic indicators as they will be used to rehabilitate the banking system. The Privatisation Agency governing body believes that even if nothing else but enterprises of the indicative list are sold, the receipts will be guaranteed. The government programme includes 467 state-owned companies. The Privatisation Agency is responsible for 130 transactions, the Ministry of Industry for 40, the Ministry of Trade for 115, the Ministry of Transport for 30, the Ministry of Agriculture for 31, the Ministry of Construction for 45, the Committee for Tourism for 42, the Committee for Energy for 12 and the Committee for Postal Service and Telecommunications for 4.

## • Mass Privatisation

Privatisation by investment vouchers is one of the priorities of the Bulgarian cabinet's four-year government programme. The process started on January 8, 1996 when the voucher books were made available to people.

The voucher privatisation model conforms to the need to step up the privatisation process by combining the mechanisms of cash and voucher denationalisation. The aim is to promote the structural reform by developing the private sector in the national economy with the primacy of corporate ownership.

Shares of the assets of 1063 state-owned enterprises, mainly big and medium ones, whose book value is BGL 81,333



bln are offered for voucher privatisation. The preliminary selection conformed to the requirements that the companies should have acceptable financial results of the previous economic year and have long-term assets worth over BGL 50 mln according to the last annual balance sheet. Some exception is allowed for units in agriculture and the food industry some of which have authorised capital below BGL 30 mln.

Enterprises are divided into three basic groups depending on the portion of the state share intended to be offered for privatisation: 25%, 65-70% or 80-90% of the state share depending on the interests of the national economy or the magnitude of the restitution claims.

Although mass privatisation is in the beginning the Bulgarian model is already clear enough. It approximates mostly the Czech model and differs essentially in the more rational organisation of the tenders in the main. Shares of one and the same enterprise can be placed partly by cash and partly by voucher privatisation.

The equality of citizens in mass privatisation is guaranteed. All Bulgarians over 18 and with permanent residence in the country can buy a voucher book worth 25,000 investment leva for which they will pay 500 leva. The vouchers are dematerialised non-interest-bearing securities which entitle only to participation in mass privatisation. The vouchers can be inherited or transferred between spouses and relatives.

The centralised tenders for the conversion of vouchers into shares of enterprises from the list will most probably take place in mid-1996 at three tender sessions of three months duration each. Shares acquired under mass privatisation can be sold after the publication of the company's first balance sheet but not before six months have passed since the last tender session.

The general meetings of the privatised

companies are convened and their managers are appointed in the post-privatisation period whose duration will be six months. During that period shares of the privatisation funds shall not be transferred nor shall citizens sell the shares that they have bought. During this six-month period the funds can be transformed into investment companies or holdings under the Commercial Law, i.e. to elect brokerage or management of the bought enterprises.

Participation in mass privatisation can be direct, with the mediation of privatisation funds or by a proxy.

**THE PRIVATISATION FUNDS** are joint-stock companies with minimum capital BGL 70 mln. At least 10 mln of this sum should be in cash or government bonds and at least 70% of the capital, in investment bonds. The funds issue only bearer shares which entitle to one vote.

The funds can acquire up to 34% of the shares entitling to a vote in a company and thus be in a position to block detrimental decision taking but not to control the enterprise completely.

**THE PROXY** is a physical person authorised by maximum ten persons to act on their behalf in mass privatisation without transfer of the title right. This will enable the Bulgarian citizens who work abroad and the senior citizens who find it hard to find their bearings in the new environment to delegate their rights to a trustee.

If someone is not willing to participate in mass privatisation he or she is free to make a single transfer of his or her vouchers to a spouse or a relative in the direct or collateral line to the second degree.

In the opinion of specialists the accepted model of share distribution among citizens in Bulgaria gives quite a chance of motivated economic choice and expectation that it will become an appropriate form of practical training in the rules of the market.



# FOREIGN ECONOMIC RELATIONS

## BULGARIAN EXPORTS TREMENDOUSLY BEAT IMPORTS

**B**ulgarian foreign trade balance is positive as never before: over BGL 19 billion in the first nine months of 1995. This is equivalent to USD 298 million with average rate of exchange in the period BGL 66.5 per USD 1 (Bulgarian National Bank fixing). In the first nine months of 1995 Bulgaria's foreign trade exchange amounted to BGL 488 billion with imports and exports making an equal contribution. The positive result though is to be attributed to the specifics of costs reporting including some additional internal costs like insurance and transport. In the third quarter alone trade amounted to BGL 179 billion (= USD 2,670.7 million) with positive trade balance of over BGL 7 billion (= USD 116 million). The country is expected to have annual record foreign trade exchange exceeding USD 10 billion in 1995.

then was BGL 6,7 billion. In the first nine months of 1995 trade exchange increased by 56.6% over the same period of 1994.

The countries of the Organisation for Economic Co-operation and Development (OECD) accounted for the biggest portion of Bulgarian exports, 46.2%, out of which the European Union was the runner-up with 37.2%. Central and Eastern Europe was the market for one third of the Bulgarian exports -32.4%. The OECD countries' imports to Bulgaria were the largest or 40.7%; the countries of Central and Eastern Europe accounted for 36.6% of which 67% was contributed by imports from Russia. The European Union countries made up for 34.4% of the imports in the first nine months. Trade with the EFTA countries made up less than 2% of the Bulgarian exports and imports.

### Trade, Imports and Exports Jan-Sept 1995

	BGL mln	USD mln
Trade	488,875.6	7349.4
Export – FOB	244,086.2	3673.4
Import – CIF	244,789.4	3676.0
Trade balance		
FOB/CIF	+ 19,324.6	+ 298.3

The achievement of such a result is a record for Bulgaria. In 1994 the country struck a positive balance for the first time since the start of the market reforms. The positive trade balance

### Import and Export in January-November 1995 (in BGL billion)

Country	Export	Import
OECD	127.2	113.8
EU	94.3	96.6
EFTA	4.7	4.4
Balkan countries	73.6	30.6
Germany	22.2	30.4
Greece	21.4	12.8
Turkey	18.3	4.6
Russia	31.6	62.5
USA	7.6	4.7



No essential change was observed in the geography of the foreign trade commodity flows over the previous year.

Bulgaria has a positive trade balance with ten of its principal trading partners. Germany which is the second important partner is the only exception with USD 13 million positive trade balance whereas the exchange amounted to USD 49 million. Russia continued to be on the top with 17% of the total trade and a positive trade balance with Bulgaria amounting to USD 56 million (86.5 million exchange). Macedonia and Italy share the third position with USD 37 million worth exchange. Next on the list is Greece with USD 32 million, Turkey with USD 23 million and the Ukraine with USD 22 million. Bulgaria continues to maintain good trade relations with the Middle East and Arab countries. Trade with Israel, India, the Republic of Korea, China, Algeria, Egypt and Syria is most brisk. Fossil fuels, pigiron, iron and products from these, machines and tobacco were the major commodities in Bulgaria's 1995 foreign trade structure. Exports of Bulgarian foods increased very much. Exports of soft and alcoholic drinks exceeded BGL 7.6 billion, i.e. by almost 40% over the January-September period of 1994. Export of tobacco and processed tobacco substitutes increased by about BGL 3 billion. The receipts from the export of chemical industry products were almost dou-

ble over the first nine months of 1994. Fertiliser exports were worth over BGL 10 billion; pharmaceutical exports were worth almost BGL 4 billion; pigiron, iron and steel exports and the exported products made from these amounted to over BGL 26 billion. Exports of non-ferrous metals increased significantly. Among these copper and copper products made up the largest share with BGL 12 billion.

The quantities and monetary value of Bulgarian import of fossil fuels and oils that in the first nine months of 1995 exceeded BGL 54 billion, of organic chemical products (BGL 6 billion), electrical engineering (BGL 10.6 billion), cars, tractors and motor cycles (over BGL 9 billion) and light industry products continued to be high.

Reserves for a more prominent foreign trade boom are to be sought in the drastic cut of subcontracting. Most of the light industry in Bulgaria, the tailoring industry exclusively, operates almost entirely along these lines which exclude completely the use of the manufacturer's own raw and prime materials. In the opinion of experts a more determined government policy of incentives to the incorporation of latest technologies, direct foreign investment and privatisation in this sector can, within a few years, transform Bulgaria which is now an appendage to the large foreign clothing companies, into a solid manufacturer with a reputation.



# FOREIGN INVESTMENTS

## SMALL PRESENCE OF FOREIGN INVESTORS, GERMANY IN THE LEAD

**F**or the successful economic transition towards market economy paramount importance has the attraction and encouragement of foreign investments in Bulgarian economy. 1992 saw the adoption of the Law on the Economic Activity of Foreign Persons and the Protection of Foreign Investments which gave certain impetus to the inflow of foreign capital. Although this Law provided some of the most liberal conditions for investing, compared with the rest of the Central and East European countries, Bulgaria cannot boast of great successes in attracting foreign capital. The direct foreign investments registered in the country in 1995 amount to barely 102 mln USD, the indirect investments in the financial sector – to 32 mln USD, the long-term credits and untradeable financial flows – to 100 mln USD. If we add the 50 mln USD additional resources attracted in privatisation, the foreign investments in 1995 total 284 mln USD, and 860 mln USD for the period 1991-1995. Greatest interest in Bulgaria was shown by Germany which invested 204 mln USD, followed by Switzerland with 41 mln USD, Belgium with 40 mln USD, and Greece with nearly 37 mln USD.

In 1995 foreign investments in Bulgaria dropped 2.5 times compared with 1994. According to some specialists, the reason for this drop are the

clumsy procedures which all ministries introduced for the establishment of joint ventures. Others, however, are of the opinion that Bulgarian law encourages and protects foreign investments. Its fundamental principle is the equal footing for foreign and national investors. Foreign persons may carry out economic activity in the country and acquire stocks and shares in enterprises under the same conditions as the Bulgarian physical and legal persons, having equal rights with them. Investing is free and depends only on the interest or will of the foreign investor. In principle, no preliminary licence from state institutions is required.

The exceptions envisaged by the law concern only the production of and trade in arms, ammunition and accoutrements; banking and insurance. Licences in the foregoing cases are issued by the Interdepartmental Board of Foreign Investments with the Council of Ministers of the Republic of Bulgaria or by the National Bank (for banking). The time-terms for this procedure are much shorter than in the other countries (from 45 days to 3 or 6 months in some cases). Foreign investments are registered at the Ministry of Finance only after they are effected – within 30 days.

The Bulgarian law provides for various forms of investment and economic



activity of foreign persons. They may acquire property rights over buildings and limited material rights over real estate. Joint ventures with foreign participation registered under the Bulgarian law may acquire property rights over land. Investments can be oriented, depending on the investor's interests and desire, towards enterprises pending privatisation or towards the building of new enterprises (the so-called "green-light investments"); money can be put in the establishment of joint ventures, as well as in portfolio investments. Particularly attractive is the opportunity to use Brady-bonds in the privatisation of Bulgarian state enterprises.

The law protects foreign investments against alienation. Furthermore, Bulgaria is a member of MIGA (the Multilateral Investment Guarantee Agency) with the World Bank which provides additional guarantees, especially to larger investments. The international accords to which Bulgaria is a signatory, which envisage more favourable conditions for the economic activity of foreign persons, have priority in their treatment. Since 1981, the Republic of Bulgaria has concluded 25 bilateral agreements for encouragement and mutual protection of investments and more than 20 agreements to avoid double taxation.

Bulgaria set up one of the most liberal regimes for repatriation of income from investments. Foreign persons are allowed to purchase foreign currency from the trade banks against realised leva income from investments, liquidation quotas at the termination of an investment or from the sale price of an investment object, as well as from any compensations they have received. This foreign currency may be freely

transferred to another country simply upon presentation of a certificate for paid taxes.

The two-level institutional structure of foreign investment management includes the Interdepartmental Board of Foreign Investments, which is a body of the Council of Ministers of the Republic of Bulgaria, directly engaged to develop a strategy and implement the state policy in the field of foreign investments. Its chairman is a deputy prime minister who is also Minister of Economic Development. The Board comprises deputy ministers and deputy chairmen of the ministries and committees concerned with investments.

The immediate daily work with foreign investors is done by the Agency of Foreign Investments, set up recently as a one-stop institution to help foreign investors realise their projects, to provide information, analysis and publicity backup to the investment process and stimulate investments. The aim is to create favourable investment climate, good conditions for successful business and opportunities for effective economic activity in line with the principles of market economy.

Bulgarian specialists think that Bulgaria is a good place to invest not only due to its strategic geographic location and the possibility to gain direct access to the large Russian market and the markets of the Middle East, but also because of its political stability, favourable legal and institutional environment for foreign investments, the developed infrastructure, skilled workers of extensive professional experience and traditions, as well as the willingness and readiness of Bulgarian enterprises for economic cooperation with foreign investors and business partners.



# BANKING SYSTEM

## **“BAD” CREDITS CREATED PROBLEMS WITH THE PAYMENTS IN SOME BANKS**

**T**he reform in the banking system is one of the main prerequisites for organising a financial system adequate to the market economy to provide possibilities for pulling out of the crisis and recover the macroeconomic balance in conditions of transition and economic stagnation. Along with the institutionalisation of the new banking system in the country several main groups of problems were to be solved soon: the creation of the currency and foreign exchange market; stability and confidence in the financial institutions; stronger competition between them.

The abolition of the monopoly of BNB and the decentralisation of the banking activity began as early as 1981 with the establishment of the Bank for Economic Initiatives, Mineralbank. In 1987 another 7 banks were established, specialised exclusively in making loans to one sector of the economy or another. Prior to the reform these banks operated on semi-market principles, and attracted the free resources in excess to the national plan and extended short-term and long-term credits to small and medium enterprises. In the year of political change 1989 another 59 commercial banks were established on the basis of the ex branches of BNB. 1991 saw the establishment of the first private banks in Bulgaria: First Private Bank, Private Agricultural Bank, Private Entrepreneurial Bank “Texim”, etc.

The initial success of the banking system reform hinged on the legislative initiative of Parliament. The BNB Act was passed in mid-1991 and the Bank and Lending Act in 1992. These two main acts formed the legislative base for the

new financial and credit system in the country. Today the banking system in Bulgaria is a two-sectioned structure which consists of a central bank, the Bulgarian National Bank and commercial banks along shareholding lines. Basically the commercial banks are universal and free to deal with both trade and investment. The new structure of the financial system is complemented by the newly established non-bank institutions – financial-brokerage houses and change offices.

The reinstated sovereignty of the central bank and its main functions in the maintenance of the stability of the lev and supervision over the banking system, delegated by the BNB Act, made it one of the main centers of the economic reform.

Under the BNB Act the chief priority of the central bank is: to maintain “the internal and external stability of the national currency by elaborating and conducting a national monetary and credit policy”.

The macroeconomic environment in which the new two-tier bank system began to function is characterised by essential imbalances: one of the main imbalances is the currency excess liquidity, brought about by the practically unlimited bank financing of the growing budget deficit in the past. In 1989 the monetary aggregate M2 exceeded the GDP by 9.3%. At the end of 1993 this correlation reached 83.2% and in a normal situation it should be between 30 and 70%.

Given such strong imbalances the BNB was forced to introduce an austere



restrictive monetary policy, so that the high money supply could be decreased. The main instruments of restriction, applied by the central bank could be conventionally divided into two groups: direct and market-oriented. The direct instruments of the monetary policy include the credit ceilings and the minimum non-taxable reserves that the commercial banks in the BNB must have. The group of the market-oriented ones includes the interest rates on the Lombard and discount credits for the refinancing of the banks and the participation of the BNB in the open /including the foreign exchange/ market. In this way the central bank indirectly influences the formation of a level of liquidity, corresponding to its aim.

The credit ceilings were a main instrument in the policy of the central bank of Bulgaria to cut down the credit expansion of the commercial banks in early 1991. The credit ceiling fixed for each commercial bank was a percentage of the remaining total debt on the credits as of the end of the previous period. This direct instrument of credit expansion regulation is underlying the stabilisation programme in the financial sector, worked out together with the IMF to set acceptable limits to the net domestic assets of the banking system.

During the second half of July, 1994 in the conditions of a relatively stable money market the Board of Management of the BNB decided to limit the direct levers of money supply regulation and removed credit ceilings. Since the beginning of 1990 the commercial banks have been depositing minimum compulsory reserves with the central bank amounting to 5% of the attracted primary deposits. These deposits bear no interests and for the commercial banks they are a kind of tax. At the end of 1990 the BNB tightened its restrictive policy to increase the minimum compulsory reserves to 7%. During the first quarter of 1994 the relative stability of the foreign exchange rate in the country was upset and in order to avert the imbalances on the foreign exchange market, the BNB increased the rate for the minimum compulsory reserves to 8% as a restrictive measure to limit the current BGL liquidity. In July

1994 with the removal of the credit ceilings the BNB increased the minimum compulsory reserves to 9% and in September – to 10%; in order to underline the market character of the measures, taken up by the BNB, on September 1st the minimum compulsory reserves began to bear a 12% annual interest. The technology of determining the minimum compulsory reserves is strongly dependable on the development of the banking system and mainly on the payment system. From the beginning of the reform they are calculated once a month on the basis of the balance of each commercial bank and are put on separate account in the BNB. With the introduction of a settlement in the central bank in mid-1992, the commercial banks were allowed their payment accounts in the BNB to use an overdraft not exceeding their deposited reserves /including in foreign currency not exceeding the foreign exchange part of the minimum compulsory reserves/. Thus an essential transaction was made from direct to indirect regulation mechanisms of the liquidity of the banking system. In this case the interest rate on the overdraft that is considerably higher than the basic one, is used by the BNB as a quick and relatively efficient regulator of the short-term dynamics of the money supply. In extreme situations when the restriction of the lev liquidity had to curb the foreign currency demand and stop the defall of the foreign exchange rate, the interest rate on the overdraft was increased to 150%, which is by nearly 2.5 times over the basic interest rate.

The refinancing of the commercial banks is an example for the evolution of the instruments of money policy making of the central bank. In the beginning of the banking system reform, due to the lack of whatsoever financial market, the BNB had to refinance the banks directly. The first step towards the creation of an interbank market was the BNB's introduction of one-month tenders for interbank deposits in September 1991 and thus the commercial banks let temporarily their free resources for usage by other banks. The emergence of the interbank market enabled the commercial banks to let each other use temporarily the free funds. The



issuing of securities and well-developed securities market are underlying the introduction of the Lombard and discount policy, by which the central bank seeks the guaranteed /non-inflation/ refinancing of the banking system. In 1992 30.9% of the budget deficit was financed by issuing bonds, in 1993 this was 77.1%. Due to the lack of a system of issuing and disbursing by bills of exchange, the extension of discount credits was strongly hindered. For this reason the BNB introduced the discount of promissory notes, issued by one bank and with a guarantee from another bank, with an incentive interest rate that is higher than the basic one, and declared that it had the intention of making a discount on the exchange bills with an interest rate close to the basic one. In 1993 the Lombard and discount credits exceeded 50% of the resources, granted by the BNB to the commercial banks. In spite of the considerable progress in refinancing, and given the slack secondary bond market these ways of credit extension continue to sort of a direct credit from the BNB. In spite of this the usage of more sophisticated methods enabled the central bank to join the refinancing operations and by the buying and selling of bonds to the open market to decrease or increase liquidity by means of market levers.

In the field of the foreign exchange policy the BNB has had three main aims: maintenance of a relative stability of the nominal foreign exchange rate; prevention and restraint of the fluctuation of the nominal level of the foreign exchange rate and increase of the foreign exchange reserve. The price liberalisation in the country was in parallel with the liberalisation of the foreign exchange regime and the initiation of a free foreign exchange market, based on the floating quotation of the main convertible currencies to the national currency. The practice in the last years shows that this is a nice solution in a situation in which substantial foreign exchange reserves and other steady mechanisms to regulate the foreign exchange rate are lacking. The maintenance of a relatively stable nominal foreign exchange rate is connected with the essential growth of the positive

trade balance during the period as well as with central bank interventions that aimed at suppressing the speculative efforts and the market fluctuations, and at the same time the foreign exchange reserves of the country.

The banking control has the task to provide all necessary prerequisites for the presence and adequate operation of the financial-credit system of actors. The BNB Act authorises the central bank to exercise "regulation and control the activity of the commercial banks in order to maintain a stability of the banking system". The problems of banking control in the country can be outlined in three groups: legislation which is adequate to the reform; licensing of new banks and non-bank institutions and exercising control over their activity.

In the earliest stage of the reform the BNB drafted and its Board of Management passed the main legal documents. This enabled the BNB to regulate the processes of expansion in the bank sector as well as its consolidation. In 1990 Bulgaria had some 70 commercial banks, a considerable part of which were established in the previous year on the basis of the ex-branches of the BNB in the country. Characteristic of most of the banks of this type was their small own capital – from 7 to 10 mln BGL, which together with the bad staffing and the worsened financial condition /due to the big quantity of previous bad credits/ made the banks extremely unreliable. This made the BNB revise the requirement of minimum authorised capital and to increase it to 200 mln BGL for receiving a banking license for domestic bank operations and 500 mln BGL for international operations. With firm criteria of the amount of capital, optimum credit activity and staffing concrete consolidation projects were implemented that pooled 50 small banks into 5 big universal commercial banks, whose structure and quality of bank activity are adequate to modern requirements. During the period 1991-1993 the BNB gave licences to another 18 commercial banks /most of which with a predomination of private and foreign capital participation/, and also to over 2000 non-bank financial institutions – financial-brokerage and



investment houses, offices for foreign exchange and brokers. This process promotes the competition and optimises the currency and foreign exchange market. During the year noted considerable violation was detected in the activity of the foreign exchange offices which led to the withdrawal of the business licenses from part of them. The BNB imposed administrative penalties on a limited number of banks in which the bank control detected non-abidance by the regulations of the central bank.

\* \* \*

From the end of 1995 some of the Bulgarian banks suffer acute financial problems and severed the payments of sums to their clients. This happens for

the first time after 1989. There are 45 banks in Bulgaria – 11 of them are state-owned. 24 of the banks are private and there are 10 representatives of foreign investments.

The cause of the financial difficulties is the large amount of “bad” credits given by the banks. From 1991 the amount of the “bad” credits have risen with more than 50 billion leva / over 800 millions of dollars /. The losses of some banks have also risen for the passed three years. Some of the problems of the banks are due to unreasonably high administrative spending and the over expenditure and dispersion of the branch networks.

Bulgarian National Bank undertook emergency measures in several directions for stabilizing the banking system.

## MOST PROSPERING BANKS

### **BULBANK**

Sofia 1000, 7 Sveta Nedelya Sq.

### **BIOCHIM**

Sofia 1000, 1 Ivan Vazov St.

### **STATE SAVINGS BANK**

Sofia 1000, 19 Moskovska St.

### **ELITBANK**

Sofia 1000, 7 Christo Belchev St.

### **TRADE AND SAVING BANK**

Sofia 1000, 4 Sveta Nedelya Sq.

### **UNITED BULGARIAN BANK**

Sofia 1000, 70 Maria Louisa Blvd.

### **INTERNATIONAL BANK FOR INVESTMENT AND DEVELOPMENT**

Sofia 1000, 10 Craf Ignatiev St.

### **EXPRESS BANK**

Varna 9000, 5 Shipka St.

### **BULGARIAN POSTAL BANK**

Sofia 1414, 1 Bulgaria Sq.

### **FIRST PRIVATE BANK**

Sofia 1000, 14 Iskar St.



# TAXES

## FURTHER IMPROVEMENT OF THE TAX SYSTEM

**I**n 1995 certain transformations were made in the existing tax system but the reform of the tax system has not been completed yet. It is oriented towards stimulation of the production and sale of basic commodities, encouragement of enterprise and private businesses and protection of state interests, guaranteeing the necessary revenues to the state budget.

Reforms meet several basic requirements for improvement of the tax system: reduction of the share of so-called "corporate taxes" in the state budget (e.g. profit tax); increase of the share of indirect taxes; enhancement of the importance of individual taxes such as the income tax etc.

What has been done during 1995 to further the tax system reform in the direction of the above goals?

1995 saw the application of the earlier adopted three major laws concerning the tax reform. These are the law on tax administration, the law on tax jurisdiction, and the law on value added tax. Parliament passed again the law on the Chamber of Accounts which had been returned by the President for reconsideration. Parliament approved the chamber staff and its establishment started.

In 1995 the operation of several taxes was of primary importance to the state. The most important tax, which in 1995 operated for a whole year for the first

time, was the value added tax (V.A.T.). It replaced the former system of turnover tax and excise duties. The V.A.T. proved to be a powerful instrument both for the economic and social regulation of the national economic complex.

The V.A.T. introduced in Bulgaria is similar to the related taxes applied in many West European countries. What is characteristic of it is that it is imposed as an indirect tax on consumption. It is called a multiphase tax and is added, collected and deposited into the state budget at each stage of production and sale or, in other words, at every act of selling. This is why it spurred the quick marketing of goods and channelled producers' efforts towards commodities really necessary for the population, which in turn secured the largest revenues in the state treasury.

Under the operative V.A.T. all goods and services are taxed at a uniform rate of 18 per cent. At the same time a special clause gives it the force of a definite social corrective. This is achieved by the provisional exemption, adopted by Parliament, of some essential commodities. These include 11 commodities which used to be charged with little or no turnover tax: such as bread and bakery products, cheese, milk, macaroni, flour, semolina, farina, butter.

The new law on excise duties passed by Parliament also operated for a



whole year for the first time in 1995. It is another major source of revenues for the state budget.

The legal basis of excises was further improved in two directions – raising the excise duties and increasing the number of excisable goods.

Traditionally the profits tax plays an important role in the tax practice of this country. Recently quite a few changes were made in the normative basis of this tax. In the past year it amounted to: 40 per cent of company profits and 50 per cent of bank profits, with 70 per cent for the profits of the State Savings Bank. Under the operative law, legal persons engaged in economic activities without state or municipal participation paid a profits tax of 30 per cent, for annual profits of up to 1 million leva. The rate of the profits tax underwent a new change – by resolution of Parliament in 1996 company profits will be charged by 36 per cent tax.

Profits taxpayers are all business firms, state and private, which are legal persons, as well as foreign joint ventures which are legal persons and perform economic activity within the territory of Bulgaria.

The income tax played a significant role in the tax system operating in Bulgaria in 1995. It is imposed on Bulgarian citizens irrespective of their permanent and temporary residence. They pay tax on income acquired in the country or imported from abroad.

The income tax is valid for the foreign citizens in Bulgaria too. Under the operative law, they pay income tax on their income from sources in Bulgaria. Public organisations were burdened with income tax for their economic activities in the country.

In 1995 there was a number of tax reliefs – by decision of Parliament one-

man traders and people practising free-lance professions were tax exempted for annual income below 30,000 leva. In 1996 the size of tax-free annual income will be 36,000 leva. In addition, the sums above the tax-free minimum are charged with a smaller rate for lower incomes.

In Bulgaria there are other taxes known as local taxes which go into the municipal budgets. They apply to many citizens and legal persons. They include: taxes charged on buildings, courtyards and land plots, the transfer of property rights etc. These taxes are mostly traditional in nature and continue to exist under the new conditions without substantial changes. In order to update them with respect to the inflation processes their amount for 1996 multiplied.

The land tax is another tax of local significance whose weight in the tax system will continue to grow with the progress of the agrarian reform and the reinstatement of arable lands to their former owners after the liquidation of the cooperative farms. So far legislators have suspended the imposition of land tax on arable lands.

The collection of a wide range of taxes occupies a traditional place in Bulgarian practice. By a law adopted by Parliament taxes are levied on the use of water and drainage, for the removal of garbage, on vehicles, market-places, selling on side-walks etc. The rate of these taxes is growing parallel with the inflation.

The implementation of the tax reform greatly depends on the tax discipline and the tax collection measures. This was a weak point however in the working of the state in 1995. A number of initiatives are outlined for a better tax discipline and more severe sanctions against violators.



# 5. SOCIAL POLICY

## STRATEGIC TASKS - MORE EFFECTIVE PROTECTION OF THE PEOPLE WITH THE LOWEST INCOMES

**T**he reform which started in the social sphere as of 1995 aims to create conditions for a more bearable and fair distribution of the burdens of the transition to the market economy between the social groups of the population and to also help stabilise and reinvigorate the economy.

The strategic tasks in the social policy underlie the Programme of the government for the 1995 – 1998 period – to hold back the drop in the population's real incomes and to ultimately bring to a stop this drop; to improve the mechanisms for a more effective protection of the people with the lowest incomes against inflation; to overcome the drastic impoverishment of individual, socially vulnerable and dependent groups and communities; to curb unemployment and increase the employment of the population; to establish new normative mechanisms for guaranteeing safe and healthy labour conditions; to improve the protection of the working people's labour and social rights; to separate the social security funds from the budget; to attempt at the perfection of the social security system through improving the structure of pensions through overcoming equalisation in the payment between the individual social groups and professions; to guarantee the right of the poor and low-income groups to monthly benefits. In implementation of these major

tasks, a package of laws in the sphere of the social insurance and benefits, labour and the employment of the population is being drafted. The National Assembly has already passed the Law of the "Social Insurance" Fund, the Law of Protection, Rehabilitation and Social Integration of the Disabled, the Law of Amendment and Rider to the Code of Labour.

The reform in the sphere of social insurance and benefits started with the Law of the "Social Insurance" Fund. The money allocated for these purposes are separate from the state budget and this allows for their better administration. The establishment of a National Insurance Council, in the Surveillance Council of which will be representatives of the insured, the employers and the state, is forthcoming. Accent in the Law of Protection, Rehabilitation and Social Integration of the Disabled is laid on their integration into the overall socio-economic life of society as their full-fledged members rather, than on the right of the disabled to any particular protection.

The adopted amendments and riders to the Code of Labour provide a possibility for a better protection of the labour and social rights of the people and for more effective measures to combat the black labour market, for postponing pensioning by another three years – at the will of the working people.



An important part of the administrative and social reform is the Bill on State Employees. The Bills on Insurance in the Event of Unemployment and Professional Qualification, on the Voluntary Additional Pension Social Insurance, on Amendment and Rider to the Law of Pensions, on Social Welfare, on Support for Children and the Family will be submitted to Parliament in 1996.

"Basic guidelines for the policy of the state in guaranteeing safe working conditions" have been adopted by the Council of Ministers in the beginning of 1996, while for their implementation Bills on Labour Safety and Hygiene, on Labour Accidents and Occupational Diseases, on Dangerous Chemical Substances, are currently being worked out.

A National Programme for social development through curbing the economic decline and the impoverishment of the population and the beginning of a stable economic growth and raising the welfare of the population has been drafted and adopted. The programme includes concrete tasks, measures and conditions for its implementation.

To carry through the above mentioned strategic tasks a number of sub-normative acts have been drafted, passed or their adoption is forthcoming.

These are Decrees of the Council of Ministers for indexing the minimum working salary and the payments ensuing from it, as well as the average gross working salaries in the budget organisations; a Decree of the Council of Ministers for the adoption of a new Ordinance for the payment of pensions, as well as for amendments to the Regulations on applying the Law of Pensions, the Regulations for pensioners' labour categorisation, etc., Regulations for social allowances; Regulations for the social services; A Decree and the draft of Regulations for the organisation of the territorial social welfare centres; Regulations for the

activity and structure of a social rehabilitation complex for physically disabled people; Ordinance for day care centres for handicapped children; a Decree for the establishment of centres for homeless children, etc.

The policy in the sphere of the labour market is aimed at decreasing the imbalance between the demand and supply of labour; decreasing unemployment, increasing the adaptation and qualification of the unemployed through the active policy of the Ministry of the Social Welfare and its Employment Programmes: a temporary employment programme, "From social care to employment" Programme, a Programme for the training, qualification and employment in regions of an ethnically mixed population, a Programme to encourage youth employment, a Programme for re-qualification and additional qualification. Temporary jobs for more than 40 000 unemployed have been created.

Following the economic reinvigoration which is already under way and the active labour market policy in 1995, unemployment began to decrease – from nearly 500 000 in January to 423 773 in December of 1995.

Jobs in the first six months of the year alone were provided for over 70 000 unemployed, of them more than 54 000 – through the mediation of the employment bureaus.

The unemployment level dropped to 11%, the number of the unemployed embraced in the different programmes for re-qualification and labour employment has been increasing. The number of jobs, particularly so in the private sector, is growing. Along with this however, the share of the long time unemployed and of the people who do not get any compensations has been increasing. Active efforts are being made towards bringing the Bulgarian labour and social legislation into line with that of Europe,



with the necessity of amending and supplementing regulations and standards of labour safety and the introduction of the EU directives and the conventions of the World Labour Organisation in labour legislation being studied.

The measures launched since the beginning of 1995 for bridling inflation helped calm down the economic situation in the country and resulted in a change in the government undertaken commitments concerning the incomes of the population. For the first time ever after 1992 the real working salary for the country, particularly so in the material production sphere, increased. So did the pensions. This laid the beginning of the struggle for curbing the impoverishment of the population during the past four years.

In 1995 the government adopted as a priority the task of decreasing, at least twice (as compared to 1994) the drop in the real incomes of the population. The results achieved were better than the initially forecast. With its incomes policy the government provided a better protection, most of all, for the low income groups of the population, for example adopted a less restrictive mechanism of indexing pensions. The considerably lower inflation rate for 1995 as compared to that in 1994 (32.9% as against 121.9% in 1994) also had its favourable impact. Not only the nominal but the real incomes from working salary for the country, and most of all from the economic sector, increased.

Though insignificant, there was a growth of the real average working salary for the economic sphere in 1995 against a drop (-20.2%) in 1994.

The growth of the real minimum social pension in 1995 was 4.4% as compared to a substantial decrease (-33.6%) in 1994. The decrease in the guaranteed incomes of the population in 1995 was incomparably lower than in the preceding 1994.

The decrease in the minimum working salary in 1995 was only -3.24% as against -31.7% in 1994, the decrease in the basic minimum income that qualifies for social benefits was -1.7% in 1995 as against -37.7% in 1994, the decrease in the monthly family allowances for one child was -2.9% in 1995 as against -33.2% in 1994 etc.

The 1996 budget envisages subsidies for the introduction of an individual pension co-efficient which will provide for a more fair co-relation between the individual pensions and most of them will increase.

To overcome the social isolation and curb poverty a considerable part of the poor and other dependent groups are also being helped in kind, with part of their transport and energy spendings covered by the state, with subsidies provided for public, school and dietic food canteens. To maintain the level of their purchasing capacity social benefits are being indexed. An additional system was introduced to protect incomes against a rise in the prices of electric and thermo-power for low-income groups of the population. Particular significance is being attached to resolving the problems of integrating and supporting the disabled. The means in the special "Rehabilitation" Fund doubled in 1995 as compared to the preceding year. Alternative forms of social cares for children, the families, elderly people and handicapped children are being introduced with the broad participation, including state subsidies, participation of non-governmental organisations, religious formations, etc.

In 1995 a National Council on social and demographic problems was set up at the government while a Consultative Council on social issues with the participation of non-governmental and other organisations was founded at the Ministry of the Employment and Social Welfare.



## FAMILY STATISTICS

**A**t the end of 1995 the population of Bulgaria was estimated at 8,384,871. Compared to 1985 it decreased by 555,778 people. By the end of the century the population of Bulgaria will be less than 8,000,000.

**I**n 1992 the Bulgarians in working age were 4,732,866; in 1994 they increased to 4,741,244. The same holds true of the population in over-working age. The 1992 figure was 2,010,427; the 1994 figure was 2,035,589. The population in under-working age decreased from 1,741,570 in 1992 to 1,650,585 in 1994.

**T**he marriage rate declines. /In 1995 it was 4.5 per thousand; in 1992 – 5.2 per thousand/. A total of 36,170 couples married in 1995, or 1800 fewer than in the previous year. The 1993 and 1994 divorce rates were 0.12 and 0.15 respectively. The number of divorced families grew by 1100 in 1995.

**B**irth statistics are alarming. The 1994 and 1995 birth rate was 9.4 and 8.6 per thousand respectively – the lowest in Europe. A total of 72,500 babies were born in 1995 – by 7 240

less than in 1994. Infant mortality is on the same level, 16.3 per thousand but is still high compared to that in advanced countries. In 1993, 41.2 out of every 1000 women bore a child (51.2 in 1990). In the same period 52.4 out of every 1000 women had abortion or the birth:abortion ratio was 100:114. A woman in a child-bearing age gives birth to 1.4 children /1994/ on average which is close to the low birth level in Western Europe.

**S**ince 1990 Bulgaria has been having a negative population growth. Death rate tends to rise and birth rate tends to fall. In 1992 the natural growth was -2.2 per thousand and in 1994, -3.8 per thousand.

**A**geing of the population deepens at the base and on the top of the age pyramid. The 1992 death rate was 12.6 per thousand and the 1994 death rate, 13.2 per thousand. A total of 111,787 Bulgarians died in 1994. For the 1991-1993 period the average lifespan was 71.1 years (67.7 for men and 74.7 for women). The 1994 respective figures were 70.8 years (67.3 for men and 74.8 for women).



# HEALTHCARE

## NEW LAWS REGULATE THE PROBLEMS OF ORGANISATION, MANAGEMENT, FINANCING

People's health is a national wealth and prerequisite for the advancement of any nation. It is, as well, a measure of the social, economic and political development of society.

The network of healthcare centers which render medical aid (diagnostics, treatment, rehabilitation, some types of prophylactic activity) in Bulgaria is well distributed, disposes of the necessary basis and a considerable number of academic, college and high-school graduates and other personnel. The macro-scheme of medical aid includes three levels – national, regional and municipal. The public sector comprises 5 higher medical institutes (in Sofia, Plovdiv, Varna, Pleven, Stara Zagora) with a number of faculty clinics, 4 national centers with clinical bases, 287 hospitals and 3,723 ambulatory-clinical units, 917 creches, 163 sanatorium-recreational establishments, 5 stations for fast and urgent medical aid, and 6 centers of transfusing hematology. The private sector comprises 7,445 medical consulting rooms and 3,692 dental surgeries. Besides, until the end of 1995, 64 private health utilities have also been established, including hospitals, out-door patients clinics (polyclinics), dispensaries, laboratories. The in-patient wards of the hospitals dispose of 90,991 beds (107 beds per 10,000 of the population), in sanatoriums – 19,278 beds (23 per 10,000 of the population). In creches and nurseries there are 38,340 beds. Children

up to 3 years of age are procured with 132,4 beds in creches per 1,000 children.

Dental aid at national level is procured by a Faculty of Stomatology with a clinic. At regional level operate stomatological polyclinics, at municipal level – dental surgeries in polyclinics and health services in the villages. Here we must mark the fact that in the field of dental aid considerable portion of the necessities are already being covered by privately practising dentists.

The medical aid network disposes of considerable in number personnel – one physician per 314 persons of the population, and one dentist per 1,487 of the population.

In Bulgaria about 60 per cent of the physicians have recognised specialities. Among therapists the relative share of the specialists is 50.8 per cent, among pediatricists – 55.3 per cent, among obstetricians – 77.5 per cent, among surgeons – 70.8 per cent, among orthopedist-traumatologists – 71.5 per cent. The number of specialists with college and high-school education is increasing.

This highly developed in quantitative respect system operates with funds of state financing. During the last years these funds sharply shrunk. The absolute increase of funds for healthcare in 1995 cannot cover the enormous relative fall-behind on the background of the general increase in the cost of living – medications, consum-



ables, foodstuffs, heating, light, etc. This results in closing hospitals, patients procuring themselves medicines, blood for transfusion, consumables.

The problems in healthcare and inadequate nutrition brought back some forgotten diseases like tuberculosis, hepatitis, abdominal typhoid, rabies, syphilis, etc. Unemployment and stress over the uncertain future led to mass neuroses, psychoses, endocrine disorders. The efforts to overcome this heavy situation are in several directions. But, before all, serious efforts were made to render legislation in conformity with the new conditions.

The actual priority in the Government's programme in the field of healthcare is the drug policy. The Law of Drugs in Human Medicine and of Pharmacies regulates drug supply for some diseases, the treatment of which is life-saving and life-supporting. These diseases are 11 and a hundred-per cent availability of respective drugs, which the patients receive in ambulatory conditions, is guaranteed throughout the whole year. This treatment is carried out under out-patient conditions and is financed directly from the budget of the Ministry of Health. Another 114 diseases are financed from the municipalities' budgets. Rendering legislative ground of the drug policy in compliance with the contemporary, generally accepted norms of the European Union member countries is considered an achievement of the National Health Strategy.

In 1996 the National Assembly is going to adopt important amendments in the Law of Public Health which will guarantee the right of a free choice of a healer and free medical aid to every Bulgarian citizen. Changes are also envisaged to reflect the transitional period towards health insurance system by virtue of which the health establishments will receive legal independence.

Discussion is being held on the Law of Professional Organisations which will stipulate obligatory membership like it is practised in almost all European countries. Thus, professional organisations will receive the right, on behalf of all who offer medical aid, to be a party to the conclusion of a national accord.

At a final stage is, as well, the preparation for adoption of the Law of Health Insurance, adapted to the already adopted Law of Creation of a National Insurance Fund and Separation of the Social Insurance Fund from the State Budget.

The amendments in the Law of Public Health go parallel with the preparation and adoption of regulations for new organisation of pre-hospital medical aid which is correctly distributed by territory in order to guarantee access of all Bulgarian citizens to medical specialists in polyclinical units.

Healthcare is closely linked to prophylaxis, therefore in the National Health Strategy, adopted by the Government and approved by Parliament, a large section is dedicated to work to prevent disease. Such is the approach of the rich countries – to allocate money for prophylaxis of the healthy person because afterwards much more means will be needed for his healing.

The new organisation of pre-hospital medical aid envisages the right of every citizen to choose his personal physician on the territory where he lives. It could be a therapist, a paedrist (for children), a gynecologist (for women).

The start of the health reform in Bulgaria, which is already a fact, was preceded by a long social and professional discussion. The position of the Ministry of Health is that the valuables of the already achieved must be preserved, all factors to be precisely taken into consideration, including negative ones, so that the country would not lose whatever is already national possession in healthcare.



# UNEMPLOYMENT

## THE NUMBER OF THE UNEMPLOYED DECREASED THROUGHOUT THE YEAR

**A** ccording to statistics, the number of employed Bulgarians has decreased by nearly 1.5 million during the past six years. From 4 366 000 registered people with jobs in 1989, the number was down to 2 885 000 at the beginning of 1995. The employment situation throughout the country has reached a critically low level. The equal number of employed and unemployed is startling not only for the experts. In some regions of the country the ratio is actually shocking – some small villages have 100% unemployment. The employed in the state sector are 2 126 000 – i.e. 73.7% of the workforce. In the private sector some 759 000 people or 26,3% of the workforce are employed. Gradually, the number of those employed in the state sector decreases and the number of the employed in the private sector goes up.

The greater part of job holders are men and women in the 35 – 44 age group, forming 32% of the employed workforce. People 65 years old or older form 1,15% of the employed. A similar percentage are the below-19-years-old who work. The tendency over the last few years is for a growth in demand for more highly educated and professionalised work force, which has resulted in a decrease in the number of the employees with lower education.

The beginning of 1995 marked the end of the constant rise in unemployment. Data of the National Employment service shows that for 1995 the number of unemployed dropped by 87 000 people. At the end of last year the number of jobless was slightly over 400 000, or 11,1% of the active working force. There was marked twofold drop in the number of unem-

ployed who had lost right to state welfare and social subsidies. This more or less constant group consists mainly of people with basic and low-level education – their chances for competition on the work force market are minimal.

The decrease of unemployment figures is due to the rising work force demand. At the end of 1995, for the first time in the past six years, the number of jobs offered at the Employment Service rose over 21 000. At an average some 24 jobless compete for 1 working place. In Sofia this ratio is the smallest with 6 unemployed competing for 1 working place, while it is greatest in Rousse where 61 unemployed are available to fill every position offered. Experts and university degree holders have the highest chance of finding work. Some 17 862 people were placed in new jobs by the Employment service in December of 1995 alone, while the total number of job placements by the service for 1995 was 125 000.

The drop in unemployment figures applies to both sexes. There is a positive tendency for a drop in unemployment among the young people. Unemployment is still a serious problem for the young people, though, as they form 10% of the total work force. The recently adopted law which allows for prolonging the working age with a further three years will create new problems. As the pensions in Bulgaria are negligible, almost everyone will work the permitted three years more before retirement. According to the experts, this will automatically lead to a growth of some 60 000 – 70 000 among the unemployed, especially from the ranks of young graduates in the summer of 1996.



# PENSIONS AND PENSION SECURITY

## IN 1996 THE AVERAGE PENSION SOARS BY 39 PER CENT

**B**y the number of pensioners in comparison with the active population Bulgaria occupies one of the first places in Europe and, probably, in the world. In 1995 there have been 2,400,000 pensioners. Compared to the total number of the population this represents about 30 per cent. The number of the active people (these who pay security instalments) is almost equal to the number of those receiving pensions. The principal type of pension in Bulgaria is the retirement and old age pension. It is granted to workers, employees, agricultural owners – members of co-operative farms, cultural and scientific workers. The main requirement is to have the necessary years of service and to have accomplished definite years of age – 25 years of service and 60 years of age for men and 20 years of service and 55 years of age for women. However, one out of five working Bulgarians retires earlier. Depending on the character and particulars of the conditions of labour (harmful, threatening life or health) men and women are entitled to retire even after 15 years of service at the age of 52 years for men and 47 years for women. The size of the personal pension is assessed on the basis of the average gross remuneration received in three consecutive years during the last 15 years of service. The three years are to be chosen by the pensioner himself. If the remuneration is low, the pension

may amount to 80 per cent of that remuneration; if the remuneration is higher – the pension will amount to 55 per cent of it.

Presently, a new method is being introduced for assessing pensions, the latter will depend on the ratio between the average remuneration in the course of three consecutive years chosen among the last 15 years, on the one hand, and the average salary in the country during the same period, on the other hand. The coefficient obtained in this way will be multiplied by the sum total of the average salaries in 1993, 1994 and 1995 divided by 3.

This new method will secure to nearly 2.1 million Bulgarians an increase in pension, the average pension jumping up by 39 per cent. Thus, the maximum pension is increased from BGL 4,200 to 5,400, and the minimum pension – from BGL 1,780 to 1,940.

While in 1995 BGL 7.5 billion have been spent monthly for pension security, after the new method of computing pensions is introduced, BGL 9.5 billion will be spent monthly.

In order to eliminate the unfavourable effect of inflation on the size of the pensions, a mechanism of compensating pensions is being applied, of their permanent modification depending on the inflation percentage.

Disablement pensions are a type of pension in Bulgaria received by workers in the material production and out-



side the material sphere for complete or partial disablement, for a limited period or life. The size of that pension is assessed as a percentage of the monthly gross remuneration received by the disabled person during the last 12 months, preceeding disablement.

In 1995 about 220 thousand Bulgarian citizens have been receiving disablement pension on grounds of an illness and 50 thousand on grounds of industrial accidents or occupational diseases.

Survivor pensions are payable to the children, brothers, sisters and grandchildren, who have been dependent on the pensioner. The age limit is 18 or 26 in the event of school attendance.

All these types of pensions are received provided that throughout the years of service security instalments have been paid. That is effected through a special system called "state social security" and through formation of Pension Funds from the remuneration of the employed in the material production and outside the material sphere.

In 1995, Parliament took a decision by virtue of which the Pension Security Funds are separated from the State Budget. The system of independent accumulation and spending of the Pension Funds is already being elaborated.

At the beginning of 1996 Parliament decided that pension instalments should be paid not only by the employers but by the workers and employees themselves. According to this amendment, as of 1 March 1996 every Bulgarian will be paying 2 per cent of his/her gross monthly remuneration for pension.

As an expression of humanity, the Law of Pensions stipulates granting social pensions to invalids over 16 years of age and to old people over 70 years of age. Those are granted when the annual income per member of their families is minimal. Social pension is granted also to men at 57 and women at 52, whose employment contracts have been terminated due to full or partial liquidation of the enterprise they are working in.

In 1992 Parliament adopted a Law of Political and Civil Rehabilitation of Repressed Persons during the period from 12 September 1944 till 10 November 1989 with the exception of those sentenced by the People's Tribunal. Those are people who have been illegally prosecuted for their origin, political and religious convictions. They are granted one-time compensation for property and non-property damages.



# CRIME

## AFTER UNPRECEDENTED ESCALATION – A FORESEEN DECREASE

**C**rime in Bulgaria marked a decrease in the year 1995 for the first time since the democratic changes took place in the country. A drop of some 7,6% in the crime rate was registered. According to the unanimous opinion of anti-crime experts, this is due to the natural processes at work in society and to the process of crime development – after reaching a peak, the possibilities for quantitative growth are exhausted and a change in the quality of crimes is felt.

Some 200 000 registered crimes were committed in 1995 – 17 000 less than the crimes committed in 1994. Crimes against property prevail – thefts of personal and public belongings – and are followed by car thefts. The daily average of stolen cars is 50, according to police statistics. Among the crimes against the person robberies prevail. Robbers and muggers more and more often are threatening their victims with knives and firearms and are physically abusive towards them. Very disturbing is the growth of unmotivated brutality in the cases of robbery and mugging. The most violent crimes – assassinations and attempted murders – are in 90% of the cases a result of family and everyday conflicts. A new category of crime has also manifested itself through its first victims – the contract murders.

crimes committed have also confronted Bulgarian police with new kinds of economic crime, the fastest-growing crime category. In 1995 the damages to the state from economic crimes amount to 18,5 billions of leva. Only half the misappropriated sum has been restored to the budget. Economic crimes develop rapidly, with criminals becoming more inventive and combinational, according to the experts. Combating financial crime is high among the priorities of the Ministry of the Interior. In view of the upcoming process of privatisation it is eminent that this most important economic process won't be hampered by crime.

Throughout 1995 the whole specter of crime changed. For the first time Bulgaria's capital Sofia was not the town with the greatest number of registered crimes. The most crime-prone city became Varna – the third largest city in the country. The Gypsies in Bulgaria form 3%-4% of the country's population but are responsible for fully a third of the committed crimes. A drop was also registered in the average age of the criminals – about half of them are between 20 and 30 years of age. One of the most troubling sociological aspects of the crime situation is the rise in juvenile delinquency – 15% of the registered crimes throughout the year are performed by juvenile delinquents. Kids have been responsible not only



for petty thefts but for violent crimes as well – some 7.4% of the registered murders last year are committed by kids.

In 1995 the rate of the successfully solved cases increased by 2.4%. There were several successful cases of closing channels for art and archeological smuggling, and of closing channels for the smuggling of stolen cars and narcotics. Some 278 kilograms of different illegal drugs were confiscated at the borders of Bulgaria. Some networks for the transport of illegal immigrants were revealed. The number of solved cases in the most numerous categories, however – home and office robberies and car thefts – is still low.

Bulgarian police officers have found themselves at the focus of a social controversy – the intolerance against the escalation of crime has resulted in a diminishing of the confidence in the police force. The division of power led to a lack of cooperation and coordination between the different institutions – the police, the investigative branch, the prosecution and the court. The Judicial system cannot adequately meet the needs of society with investigations and court proceeding often taking years. At the same time the prisons are already crowded above their capacity

and the state cannot finance the building of new prisons. The job of the Bulgarian policemen is low paid one, held in low esteem by society – at the same time the risks the policemen take are mostly in vain, because the Judicial system lets the detained criminal walk out free in most of the cases. Four police officers were killed in action in 1995, while 39 were wounded.

The lack of efficiency in the struggle with crime is the focus of the main criticism against the ruling socialist government. The government has undertaken various measures against crime, with Parliament endorsing three important laws against crime. The Law for the Central Service for Fighting Organised Crime outlines the status and the prerogatives of this special police branch. Changes and supplements were made to the Punitive Code and the Punitive Process Code – with harsher prison terms envisaged for some of the more serious crimes.

The state institutions and society in general came to agree that the escalation in crime can be slowed down only by a mutual effort – and a National Programme for Fighting Crime is being prepared. Society as a whole has shown determination to support that programme.



# ENVIRONMENT

## ACTIVE PARTICIPATION IN INTERNATIONAL ECO-COOPERATION

**I**n the modern world it is impossible to apply the principles of the concept of sustainable development without a clear, practicable and concretely applied policies in the field of environment. This concept is firmly establishing itself as a determining factor and primary principle in the socio-economic development of the individual states and the world as a whole.

The abuse of natural resources, the use of energy- and labour-consuming, strongly polluting technologies brought the environment in Bulgaria to a critical condition in the late 1980s. The socio-political changes after 1989 opened the way for the orientation of the economy towards a market economy, inclusively towards environmentally friendly restructuring. The so-called "hot spots" (areas with endangered environment as a result of the operation of heavy industry plants), inherited from planned economy, had to be normalised through a rational ecological policy. To this end, in the early 1990s the Ministry of Environment, supported by the World Bank and the US agencies for international development and protection of the environment, worked out a National Environmental Strategy, updated in 1994. Unfortunately, it remained merely a document at the Ministry of Environment. In order to become applicable it has to be approved by the Council of Ministers or the National Assembly so that all competent state institutions undertake its fulfilment. Furthermore, from a priority in the early 1990s environmental problems have been pushed to the rear in the scale of national values. Part of the blame lies with the numerous

(about 150) non-governmental environmental organisations which failed to engage the competent state bodies with the execution of the National Environmental Strategy or to alarm the public persistently about the consequences of its inexecution.

The modern Bulgarian legislation on the environment set out successfully by the basic Law on Protection of the Environment which the Grand National Assembly passed in 1991. Its three underlying principles: "polluter – payer", preventive environmental protection activities and right to information about the state of the environment, incl. public participation in decision-making, are a good foundation for the elaboration of an integral environmental legislation. However the special environmental laws drafted during the past four years (on the protection of air, water, sea environment, natural reserves, on noise, wastes, etc.) did not reach the plenary hall. Some amendments and supplements to the basic law were adopted which did not prove quite adequate and were attacked by specialists, scientists, environmental NGOs, and even by municipal authorities.

In the last few years the resources for protection of the environment, as a percentage from the Gross Domestic Product have dropped to 0.17% which is too little compared with the money allocated for the same purpose by the advanced countries. The scarce resources allotted from the state budget are directed with priority (as target investments) to the construction of urban purifying stations for drain water and of hard house-



hold litter depots. To some extent it is relied on the money collected in the national and municipal environmental protection funds from taxes and penalties for pollution or damage to the environment, as well as on the investments made by companies and other economic entities. In 1995 a special fund was founded, "Environmental Projects for the Mountainous Regions" with money from the rise in fuel prices. This fund finances environmentally clean production projects in plant-growing, stock-breeding, the food industry, etc.

The hopes to get investments from the advanced countries proved vain. The small aids received in the past few years are far below the expected and did not produce tangible ecological effects, being mainly used for research.

Hopeful prospects are held out by Bulgaria's participation in the so-called "debt against nature" or "debt against environment" transactions. Bulgaria has a large foreign debt (over 12 billion USD) and part of it could be remitted against measures to preserve the natural diversity and to solve some acute environmental problems inherited from the past – severe pollution or damage to the environment in districts such as that of Dimitrovgrad, Bourgas, Pernik, Kurdjali, Plovdiv, Sofia, Rousse etc. The first transaction to the amount of 20 mln Swiss francs was effected in October 1995 between the governments of the Republic of Bulgaria and Confederation Switzerland. Efforts are made to reach similar agreements with other creditor states members of the Paris Club, incl. private banks of the London Club. By a special provision in the Law on Protection of the Environment the National Trustworthy Ecofund was founded for the accumulation of money from the transactions "debt against nature" and "debt against environment" and from governments and international institutions designated for the protection of the environment in the Republic of Bulgaria. The World Bank also granted two loans for specific sectors – the so-called "energy loan" amounting to 93 mln USD, and the "water loan" to the amount of 98 mln USD.

Towards the end of 1995 the govern-

ments of Bulgaria and Japan agreed that a preferential credit of 80 mln USD be granted through the Japanese Fund for Overseas Economic Cooperation. It will be used for the reconstruction of the non-ferrous metals combined works in Plovdiv – for the reduction of sulphur dioxide emissions to admissible norms and the purification of waste waters, as well as the overall solution of the ecological problems of the copper smelter and refinery in Eliseyna (district of Montana) in order to reach the European standards in purification of industrial gases from dust and sulphur dioxide and waste waters from arsenic and heavy metals. The credit is assessed as very advantageous: 30 year pay-off term at 2.7% annual interest with a 10-year gratis period. The equipment for the reconstruction of the two combined works will be supplied after relevant tenders by the competent Bulgarian bodies.

Bulgaria is a signatory to most of the international conventions for protection of the environment. This enables it to take active part in international cooperation in this sphere. In execution of the Vienna Convention on Protection of the Ozone Layer and the Montreal Protocol for substances destructive to this layer, Bulgaria reached an agreement with the international institutions, controlling the Global Environmental Fund, to be granted a free aid to the amount of 11.9 mln USD for the fulfilment of a national programme of stage-by-stage restriction of the use of ozone-destructive substances in Bulgaria. The implementation of the 16 projects under this agreement will stop the emission of 745 metric tons of ozone-destructive substances in the air.

Bulgarian Parliament ratified the UN framework Convention on Climatic Change. For the execution of the ensuing obligations – restriction of the emissions of carbon dioxide and other gases causing green-house effect – Bulgaria will rely on the import of environmentally friendly technologies. This process is also connected with the rational restructuring of the economy.

On a regional scale, with the assistance of international financial institutions, two major environmental initiatives have been launched – the Black Sea



Environmental Programme and a Strategic Plan of Action in execution of the environmental programme for the Danube Basin. International conventions were concluded for the protection of these two water basins. It would be useful to renew contacts between the Balkan countries to complete the draft convention on cooperation in this region in the field of environmental protection, the preparation of which started in 1988.

Very useful to this end was the 3rd Ministerial Conference "Environment for Europe" held on October 23-25, 1995. The documents adopted at this conference (particularly the Ministers' Declaration and its annexes) outline the ways for further cooperation on the continent in the sphere of environment. The development of the process of "Environment for Europe" is leaving the boundaries of good wishes to become increasingly more practicable.

One of the topics of the conference was the security and future of the Bulgarian NPP "Kozloduy", which generates about 35% of the national electric energy. The stand-points of the countries concerned showed that a rational solution can be found for this matter too.

However, there is another pressing issue – the problem of the disposal of radioactive waste and the regeneration and storage of the used up nuclear fuel of the plant. For the solution of this problem Bulgaria relies both on its own resources and the assistance of other countries and specialised international organisations. It is particularly important that the Council of Ministers adopt and the National Assembly pass a National Energy Strategy based on energy efficiency.

The reinstatement of property rights over arable land in Bulgaria is another source of acute environmental problems. Specialists, scientists and state officials disagree about the exact size of areas damaged by industrial pollution which necessitates the preparation of a geoecological map showing the zones of naturally deteriorated land, as well as the extent to which pollution as the result of human activity has gone.

Under the adopted legal acts, the state undertakes to compensate the owners of polluted land. This complex but inevitable procedure guarantees the rights and interests of the owners of farming land. The question arises, however, of setting forth scientific criteria as to what cultures should be grown in the agricultural areas polluted with industrial waste and artificial fertilizers. Bulgaria has long-standing traditions in agriculture and has environmentally clean areas which have proved to yield agricultural products meeting the standards of the European Union.

The problems of limiting the use of lead gasoline have been brought up with priority lately. The largest Bulgarian refinery, Neftochim, near Bourgas at the Black Sea coast, is adapting its facilities for the production of lead-free gasoline which also requires renewal of the existing outdated car park in the country. Another problem of very strong public resonance is the destruction (within 1-2 years) of pesticides of expired term of validity which amount to about 2500 tons in Bulgaria.

Bulgaria is working on a National Plan on the issues of environment and health which should be ready and adopted by the competent state institutions by mid-1996. For this purpose an Interdepartmental Council was set up, comprising representatives of the ministries concerned with health care and protection of the environment. This National Plan is drawn in compliance with the principles of the European Plan of Action and the Declaration on Environment and Health, adopted at the Second European Conference of the ministers of health and environment in Helsinki 1994.

Bulgaria relies and in future will continue to rely primarily on its own potential to implement the concept of sustainable development in the field of ecology. This does not run contrary to the aim of seeking the assistance of the advanced countries within the framework of the international accords for protection of the environment on the basis of mutually beneficial cooperation in this field.



# 6. CULTURE

## SLOW AND HARD REVIVAL AND RENEWAL OF BULGARIAN CULTURE

**E**xperiment with or renovation of form and style are traditional of Bulgarian millennial culture. Originality and convention are the two salient features of cultural heritage and innovation is a permanent component of the on-going process. There seems also to be something else related to national psychology. This is the fact that each generation perceives first the culture of the past and next contemporary culture. For this reason many modern writers, artists and composers are little known whereas those of the past have become almost a myth. A new book has to compete with reprinted stories and novels. At auctions the works of artists of the past sell better than those of modern artists. As to music, hardly anyone today will write symphonies, suites or operas. Everything seems to have been composed and great Bulgarian music can be heard at concerts where works of non-contemporary composers are performed.

Today's writers, artists and composers will be names in tomorrow's culture. This is the rule. The more so in view of the fact that critical review, a major component of culture, was not to be found in Bulgaria in recent years. The countless newspapers, the radio and television don't have special review columns. Coverage of latest publications, concerts, exhibitions and perfor-

mances is more often than not made by reporters rather than by critics. Therefore the fanfare around some men of culture is mere information and the grading of newspapers often does not conform to the hierarchy of achievements in an art. Cultural history puts the same facts in a different order. However, it is always retrospective.

Whatever the case, Bulgarian culture has been in action for 1100 years now, i.e. since when the Bulgarian enlighteners Cyril and Methodius invented the Slavonic script and laid the beginning of a new civilisation, that of the Slavs. Cyril and Methodius have been canonised and proclaimed patrons of Europe. This is the recognition of the Holy See today of the two men who brought the Bulgarian books to pope Adrian II to sanctify them.

### • Culture as a Pillar of National Identity

Europeanisation of Bulgarian society is a subject that preoccupies politicians today. Culture is subjected to a different terminology which presupposes immediate contacts with the continent. The Bulgarians are open-minded; they seek education and take a democratic approach to the achievements of universal progress. This is a precondition that explains a remarkable circumstance, viz. that European classics in all



arts are known in Bulgaria despite some censorship constraints during the totalitarian period. Moreover, the Bulgarians who are interested in one art or another usually can speak and write in one of the major European languages: English, Russian, French, Spanish or German. They don't need a mediator to approach the culture created in the said languages. Therefore the idea to make the country European is merely political. In the context of culture the problems are other and pertain exclusively to the global impact that the culture of a European country can have on Bulgarian culture. On account of a number of historical processes Russian culture has had the strongest impact on the development of arts in Bulgaria. This is particularly so in literature. French culture places second. Quite a number of people in Bulgaria speak French; French has been taught in primary Bulgarian schools, high-schools and universities ever since Bulgaria's liberation from Turkish domination in 1878. It was then that the first Bulgarians graduated in Paris, Grenoble and Geneva. English-language culture has a relatively shorter presence but its scope expands at an incredible pace. Today English is perhaps as common with Bulgarians as Russian. Communication with Germany's culture also boasts a tradition. The paradox is that it is to be attributed not to the Bulgarian princes and kings of the Third Bulgarian Kingdom who were of German extraction but to the Bulgarian students and emigrants in Germany in the 1920s and 30s. Interest in Spanish culture was nourished powerfully after the establishment of a wider range of relations with Cuba. Spanish appears to be the Bulgarians' latest window to the world. Men of culture feel populism in the politicians' Europeanisation drive.

matter of fact Europe starts where Bulgaria is and does not end there. This would be more correct in a time perspective as many European processes move from the east to the west, in other words, from Bulgaria to the rest of the European world. It is a different topic, however, the contradiction between policy and culture with respect to the Europeanisation of the country remains.

### • Let's Dwell Just on One Feature

For politicians European ways stand for the de-Bulgarianisation of many areas of life. Indeed integration is a must in the economy and a mixed company is more promising than production locked within national confines whereas culture can be an essential part of European culture only if it retains its national characteristics and its national mission.

It was culture that enabled the Bulgarian nation to survive the seven hard centuries of domination: Byzantine and Turkish. Two Bulgarian kingdoms surrendered to invaders but the state of spirit that Cyril and Methodius created withstood invasion and assimilation. Today Bulgarian culture continues to be the pillar of national identity. Hence the recent heated disputes over the dissociation of education from national ideology, the invasion of mass culture as books and films that colonise the audience and contaminate the national intonation and language environment.

National languages and nationalities vanish at the end of the 20th century. It is these dangers that account for concern with Bulgarian culture in relation to the future of the nation especially in the context of the desperate Bulgarian population growth statistics. It won't be an exaggeration to say that



Bulgarian culture today will decide to the largest extent whether the coming generations of Bulgarians will have a homeland.

This determines the role of Bulgarian culture in the effort to oppose de-Bulgarianisation.

### • **Book Publishing as a Sign of Change**

In addition to hope for the future the changes in Bulgarian society gave rise to a nostalgia for the past. In the past book publishing was a state-run completely subsidised business. Today 76.6% of the Bulgarian publishers, over 1200 in number, run a private business. None of the other businesses has achieved such an amazing ratio.

### • **What Are the Results?**

Bulgarian book publishing is suffocated by the ever growing paper and printing costs. There is a shortage of modern desk publishing facilities. For the first time that business had to struggle with the high distribution costs. And finally, restitution wiped out four-fifths of the book-shops. Book-stalls appeared in the streets and lend special downtown charm.

Within a short time book publishing filled in the gaps in readers' knowledge. These were gaps in memoir literature primarily. The lives of the 20th century striking personalities – Hitler, Churchill, Nixon – were finally released in Bulgarian. Along with the memoirs, lives, revelations of top champions, movie stars, prostitutes, secretaries etc. faction seems to dominate today's book publishing business. The problem is that books have become expensive.

The problem is that traders have rushed into the temple of the book.

The problem is that attempts are made

to re-assess the literary heritage and politicise the current literary process.

### • **Hence the Boom of Anthologies**

Svetlozar Igov, an eminent literary critic and historian has published a two-volume anthology of Bulgarian poetry. Simeon Yanev, another well known literary critic, has likewise published a two volume anthology of Bulgarian poetry. What the two anthologies have in common is the search for harmony in the combination of different authors' styles. The anthology of poet Peter Alipiev is very firm in the judgement of modern poetry. It has dropped off some names that are considered the foundation stone of modern literature. The anthologies of the poet Boris Hristov subsidised by the Open Society Fund seem "custom-made". They contain poems, short stories and folk songs and the series will be a long one. The anthologies of the Union of Bulgarian Writers published by its publishing house Bulgarski Pisatel seem to be most complete and comprehensive. These are "Bulgarian Poets of the Second Half of the 20th Century", "Bulgarian Story-Tellers of the Second Half of the 20th Century" and an anthology of children's literature in two volumes again of the second half of the 20th century.

Book publishing in Bulgaria cannot be a source of income for writers. Some statistics show that publishers don't make a profit either. Many publishing houses have vanished; others struggle to keep body and soul together. That field of culture is subjected to economic laws rather than to an updated copyright law, a law to sanction tax relief when children's books are published and other arrangements to facilitate the publishers. The Assistance to the Book National Programme by which the



Ministry of Culture allocates money to subsidise books that publishers have suggested and that a special jury assesses is the only serious factor for the time being. That programme supports debut books, children's literature primarily and other works of literary merit but unenviable prospects of selling.

### • **Revival or Renewal of Culture**

There used to be two shrines of culture in every Bulgarian populated place: the reading club and the book-shop. The reading club is a specific national idea that brings in the thirst for out of school knowledge and ambition for self-fulfilment. The Bulgarian reading clubs kept the most popular libraries; they provided stage to novice actors or musicians; children were taught to paint and draw and dance there. Reading clubs were associated with traditional Bulgarian sponsorship free of ulterior motives.

Book-shops were next to the reading clubs. They were called "the eyes of the town".

At about one and the same time and for one and same reasons of economic nature both the reading clubs and the book-shops were stripped of their functions. Today the Union of Bulgarian Writers advocates the idea to revive the reading clubs and libraries. Alas, this will have to be revival or re-establishment, nor renewal. Schools may be an easier case. The schoolhouses that

were built with donations or public money are in place and open for all. Book-shops were restituted and put to former use. They have to be built again; renewal is out of the question.

People of differing political views pool efforts to revive the reading clubs and book-shops. At last an idea in culture has led to unity of action. It is an indicative example.

A number of local cultural events of national and international importance are revived: the Sofia Music Weeks, the Ruse Music Days, the Varna Ballet Competition, the Gabrovo Biennials of Humour and Satire, Aleko's Days in Svishtov, Yavorov's Days in Chirpan, the festivals of Bulgarian poetry "Bulgarian Destiny, Bulgarian Poetry", festivals of pop and old city songs, the folk art rally in Koprivshtitsa. It is impossible to list them all. What is evident is that no one seems to be willing to spend the rest of his or her life without culture. The younger generation sees a cultural event clearing the way to enterprise in a number of towns and villages of Bulgaria while the visitors to a reading club or a book-shop seem to be outnumbering church-goers indeed.

Psychologically speaking the revival of culture in Bulgaria is related to the expected subsiding political zeal and confrontation. There are people who believe that culture may bring parties that differ to political co-operation for the sake of national interests.



## CULTURE IN FACTS

### • Books

The orientation of Bulgaria after 1989 to the laws of market economy affected book-publishing, too. Great part of the state publishing houses did not manage to adapt themselves to the new conditions and died, numerous new private publishers appeared.

The high prices of books sharply shrunk the circle of readers. In 1995 already only 3 percent of the Bulgarians regularly spend on books, while five years ago this percentage was double high. Now, two thirds of the Bulgarians acknowledge that they do not have possibility for buying books. Nevertheless, in 1995 in Bulgaria state and private publishers printed 1,100 titles of Bulgarian poetry and prose, the circulation of which varies between 500 and 1,500 pieces. An interesting fact is that more than half of them are written by women.

For popularization of the Bulgarian book for the last five years an important role played "Hristo Botev" Publishing House. It published anew all works of virtue of recent times by Nikolay Haytov, Yordan Radichkov, Ivaylo Petrov, Toncho Zhechev, Gencho Stoev, etc.

The newly founded private publishing houses oriented themselves entirely towards translated literature. This was a period of accumulation of capital and expertise in the trade. Now, the book-stalls are gaudy with foreign novels but the publishers are more precise in their choice. Publishing houses with serious programmes can be outlined, like the "Sv. Kliment Ohridski" University Publishing House, "Kibea" Publishing House, which skillfully combine valuable and scientific authors with mass-market editions.

### • Theater

Despite the crisis in Bulgarian culture after 1989 neither of the 57 theaters existing in the country was not closed. Some of them remained state-owned, other became municipal, new private theater companies emerged, like First Private Theater Company of the undertaker Barboukov, "Art Sezam" in Varna, "Sfumatto", "La Strada", "E. L. A." in Sofia. But the existence of theaters is accompanied by lots of difficulties.

For decades theater in Bulgaria has been at full state maintenance. The companies of actors were of numerous staff and the economic difficulties caught them unprepared. Great names of contemporary theater left the stage – some departed abroad, other changed their profession, third went on pension. In order to survive, part of the theaters directed themselves to attractive authors and lowered their criteria in composing their repertoire. This process is already fading away and theaters begin to get oriented towards serious drama. The Theater of the Bulgarian Army, "Vazrazhdane" Theater, Theater 199, the Satirical Theater almost got their viewers back which proved the great virtues of their plays.

### • Cinema

Five years ago in Bulgaria were produced over 20 new movies annually. In 1995 they were 2, and another 3 in production. Even with such a modest presence on the world screen the Bulgarian pictures are noticed: at the international film festivals in Berlin and in Italy the movie "Koziyat Rog" (Goat's Horn) directed by Nikolay Volev won prestigious awards.



Bulgaria disposes of a magnificent cinematographic base which is made use of foreign productions, too. A portion of Emir Kosturica's "Underground" was shot in Bulgaria with the collaboration of Bulgarian producers and actors. Viewers saw also the joint Bulgarian – US "Hishtna Ptitsa" (Bird of Prey). Screen playwright, producer and chief performer of one of the major roles in it is the Bulgarian Milen Miloushev. In Plovdiv were shot portions of the Bulgarian – Italian "Murder Bureau" starring Ornella Muti, and in the Bulgarian – Russian production "Don Quijote is coming back" plays the legend of world cinema Arman Djigarhanyan. Shooting in Bulgaria of the international co-production "Shanghai Hotel" starring Annie Girardot are already accomplished.

### • Art

Throughout the year art has been represented by numerous exhibitions, salons, promotions and retrospectives in tens of state and hundreds of newly founded private galleries. Starting from the largest "Romfeya" in Plovdiv (280 sq. m) and going as far as the smallest "Art-36" in Sofia, practically every day there is a new exhibition.

The exhibition of icons from the 16th through 19th century from the private collection of Boyan Radev – former sportsman, twice Olympic champion in wrestling, became a great event. He possesses more than a hundred Bulgarian icons and almost all are masterpieces of the best icon-painter schools in the Balkans.

The exposition of this collection was included in the general plan of promoting private collectorship. Almost all major galleries – more than a hundred, which have the possibility with state support to show their collections are included therein.

"Klassika" Gallery organised a charity auction of pieces of art by the great Bulgarian painters Zlatyu Boyadzhiev, Tsanko Lavrenov, Dechko Ouzounov, Ivan Milev, Andrey Nikolov. The sums have been handed over to the veterans of art who are in need.

With interest have been met the exhibition organised by the Gallery of Foreign

Art at the "Sv. Sv. Kiril i Metodi" Foundation on the occasion of its tenth anniversary. The attention of connoisseurs has again been attracted by its rich collections which include works of Damien, Renoir, Chagal, Picasso. Guests of the foundation with collections of their own have been the museums Prado of Spain, Pushkinsky of Moscow, artists of France, Poland, Czech Republic.

Contemporary Bulgarian art can be seen also in Paris, in the newly opened private gallery "Espoart". "Draka" Gallery in Sofia every two months supplies it with new works of Bulgarian authors – young abstractionists and recognised names.

In 1995 has been issued the first volume of "Tsenitel Art Magazine" (Connoisseur's Art Magazine) – in Bulgarian and English, the first in Bulgaria magazine of catalogue trade in pieces of art.

The goal of the magazine and of the gallery of the same name is the works of Bulgarian artists to reach connoisseurs and collectionists in the country and abroad.

### • Music

Nowadays, in the country are fully working 7 opera and 1 operetta theaters, there are 10 symphony orchestras. Tens of Bulgarian singers and instrumentalists show their worth in the biggest world cultural institutions, like Rayna Kabaivanska in the Scala in Milan, Margarita Lilova in the Opera of Vienna, Guena Dimitrova, Nikolay Gyaourov in Italy, the violinist Mincho Minchev in the musical academy of Essen, Germany, and many others.

Bulgarian folklore has also its old traditions. After a 5-year break, the popular fair "Strandzha is singing" has been revived. In the folklore outsing "Trakiya Folk" took part hundreds of performers from all over the country, and the most substantial show of the sort – the Seventh National Folklore Rally in Koprivshtitsa, got together a record number of singers, dancers, players, art craftsmen from all parts of Bulgaria, as well as many guests from abroad. Great popularity enjoys the annual festival "Pirin Folk", too.



# EDUCATION, SCIENCE, TECHNOLOGY

## A NEW LAW ALIGNS THE BULGARIAN EDUCATION SYSTEM WITH THE MOST ADVANCED EUROPEAN MODELS

**T**he modern Bulgarian education originates back in the middle of the previous century and develops in the mode of the European trends – for a century and a half the Bulgarian education is European in spirit and substance.

For a million and two hundred thousand Bulgarian children the school is like a second home, where there are no divisions by sex, social status, ethnic origin or religious beliefs. The National education system is the institution that gives equal chances to all Bulgarian children with equal rights and obligations. The big goal of the Bulgarian education workers in the years of the profound social changes in Bulgaria is to make sure that the Bulgarian children at the end of our century get no worse education than their parents.

The hardships of the transition to market economy are affecting painfully the Bulgarian education system. There is not enough financing, the technical base degrades, the social status of the teachers gets lower. In spite of all that, the Bulgarian school as a whole managed to preserve itself as a relatively stable institution. In 4 150 schools, more than 115 000 teachers are applying the guaranteed by the state principle of equal, free of charge, secular and scientific education for all Bulgarian children. The state finances directly the state schools by the budget via the Ministry of Education, Science and Technology. The municipal schools are funded by the municipal councils and the private schools are supported by foundations, sponsors and private persons – under the control of the state. There

are additional state investment funds for development of the education system and rising the qualification of the teachers. The equal start of all children does not limit their individual progress which is inspired by personal qualities and effort.

The education in Bulgaria is obligatory for all children till 16 years of age. The primary education is with 8 years term of learning. After graduating the first 8 grades /primary education/, pupils continue their studies at the secondary stage of education in either gymnasiums – schools with general or language profile, or professional and technical schools, or art schools. The education process is organised in such a way that the pupils can learn not only the achievements of the national culture but the international as well. In the learning plan of the general education schools are mandatory included the subjects Literature, Art and Music along with the general education subjects. In the gymnasiums children at will can study Aesthetics, History of Civilisation and Culture – there are special profiled classes – some of them orientated towards different areas of art, others towards learning ancient languages and cultures or some technical sciences. In Bulgaria there are 16 specialised art schools.

After the secondary education the Bulgarian pupils can continue their studies in higher and semi-higher education schools after passing competitive examinations which are established by each higher school individually. The existing academic autonomy is the most significant achievement in the democratic development of the higher schools and



universities commonwealth. The fall of the ideology monopoly and the growing participation in international education programme are contributing for optimising the system of higher education. Meanwhile, due to the lack of sufficient control, dozens of new universities, faculties and subjects emerged. Now there are 41 higher schools in the country with more than 170 000 students and 17 000 teachers. The capital Sofia is the biggest education center with a Students city differentiated as an autonomous administrative structure. There are universities in Varna, Plovdiv, Rousse, Blagoevgrad and other towns. That expansion of the higher education is due to the exaggerated academic autonomy that gives to the higher and semi-higher schools the right to accept students not only for a free of charge education guaranteed by the numbers of the state commission, but students for paid education as well. This is a process that evokes concern in the society because it endangers to decrease the quality of the higher education and it limits the possibilities for the higher education graduates to find proper jobs. The most characteristic example for the problem are the law faculties – there are 13 of them in the country. After a heated public and parliamentary debate with the new Education Law /December 25, 1995/, only 5 of the existing law faculties are legitimised which makes obscure the fate of 11 000 carelessly admitted students for paid education. The law clarifies the status of the higher education schools, foresees the unification of some of them, the integration of the semi-higher schools and the creation of colleges with the aim of maintaining the high level of the Bulgarian education. The task is that the higher education should be like a funnel with a vast entrance for all comers and with narrow exit for the graduates – only those who have proved their ability for intellectual and professional activity.

The new Education Law gives the possibility to align Bulgaria with the best European models, keeping in pace with the general state tendency for integration with Europe. Bulgaria is the coordinator for the theme “Education and Culture” which is commissioned by the pro-

gramme of the European national committees for UNESCO.

The deep rooted Bulgarian belief in the correlation between the education and success was deeply shattered during the past five years. The national scientific and technology potential of Bulgaria abruptly decreases due to cancellation of wholesome scientific and technology sectors, the desperation by the lack of prospects for scientific carrier and the falling social status of the scientists. Those factors are encouraging the “brain drain” of the national intellectual potential and as a result the Bulgarian science is in a collapse. That process affects negatively the general development of the country because during the change of the economic model, the state of the science and technology resources is vital for the success of the reform. Now the scientific research and development activities in Bulgaria are funded with only around 80 millions of dollars annually. Only Iceland is putting less funds than Bulgaria in such activities /about 30 millions of dollars annually/. Our country is up to the European standards in the number of scientists per million of the population: in Bulgaria this ratio is 3 100 scientists per million of the population. The standard for the developed countries is between 2 000 and 4 000 per million. The ratio between the scientists and the rest of the personnel engaged in the scientific research is 1:3 for Bulgaria and 1:45 is the world standard. After the protective umbrella of the state was taken off the science is in a process of painful adaptation to the market economy. Hampered were the relations between science and industry. Limited were the very important for our country transfers and diffusion of technology. The financing of the science became practically nonexistent and whole directions of scientific research were abandoned. The industry was deprived of a vital resource for economic growth – the new science and technology product.

That is why the question “How will Bulgaria meet the 21st century?” is gaining a disturbing clang that outlines a problem acquiring a priority solution – fast stabilising the science and technology structures and their adaptation to the economic development of the country.



# PRESS

## THE INDEPENDENT NEWSPAPERS DOMINATE – THE PARTY ONES ARE LOSING GROUND

**T**hroughout the year the Bulgarian mass media continued their dynamic development. It is characteristic for the social process in Bulgaria for the past several years that the democratic changes in this sphere of the intellectual life are extremely intensified. The freedom of speech, the liberalisation of the publisher – journalist relations and the competition between the media are on full blast.

The number of the newspapers stabilised during the year.

Considerable changes took place in the influence potential of the different categories of newspapers. Increased is the influence and the importance of the private owned newspapers versus the decrease of the circulation and the readers auditorium of the newspapers and the other publications of the political parties and coalitions.

Among the publishers prevailed two independent groups – the pressgroup “168 Chassa” whose publications /the daily newspaper “24 Chassa”, the weekly newspapers “168 Chassa”, “Vestnik za Zhenata” and the humour and satire weekly newspaper “Trimata Glupatsi”/ had overall weekly circulation of 1 900 000 copies throughout the year and “Media Holding AD” whose publications /the daily newspapers “Troud” and “Nosten Troud”, the weekly newspaper “Zhult Troud” and

the weekly newspaper for humour and satire “Lud Troud”/ had overall weekly circulation of 1 275 000 copies throughout the year.

In the first months of 1996 the ratio of the overall weekly circulation of the publications of the two media groups changed vice versa.

The most popular independent newspapers for the year were the dailies “24 Chassa”, “Troud”, “Zemya”, “Standart”, “Novinar”, “Continent”, etc.

Among the newspapers of the political parties and movements most popular were “Douma” /of the Bulgarian Socialist Party/ and “Democraziya” /of the Union of Democratic Forces/. With considerably smaller circulations were the newspapers “Zemedelsko Zname” /of the Bulgarian Agrarian People’s Union/, “Prava i Svobody” /of the Movement for Rights and Freedoms/, “Bulgarin” /of the Bulgarian Business Bloc/.

State publications that are continuing to circulate are “Darjaven Vestnik” /the official organ of the Parliament and the Council of Ministers/, “Bulgarska Armiya” /the daily of Defence Ministry/, “Anteny” and “166” /newspapers of the Ministry of the Interior/, etc.

The influence among the readers of the newspapers of some public organisa-



tions – the weekly “Pogled” /of the Union of the Bulgarian Journalists/, the daily “Sport” /of the Bulgarian Union for Physical Education and Sports/ continues to decrease. There is a decisive rise of the circulation and popularity of the newspaper “Treta Vazrast” /of the organisations of pensioners/. The newspaper “Tzarkoven vestnik” /published by the Bulgarian Orthodox Church/ is popular among the religious Christians.

Among the newspapers for business and economy the prevailing interest attracts the daily “Pari”. Continue the circulation of several economy weeklies – the most notorious of them are “Cash”, “Banker”, “Capital Press”, “Bulgarski Biznes”, “Bulgarski fermer”.

In Bulgaria are circulated four newspapers for humour and satire – “Lud Troud”, “Sturshel”, “Pardon” and “Trimata Glupatsi”. The two weeklies for literature and culture with long lasting traditions – “Literaturen Forum” and “Cultura” – are enduring only symbolic circulation.

There is quite a number of newspapers for entertainment and the most popular among them are “Vsichko za Vseki” and “Hubava Zhena”. Quite good circulations enjoy the newspapers for practical public needs and notices /“Kurier 5”, “O.K.”/, for science and technology /“Nova Orbita”, “Computaren Svyat”/. There exist newspapers highlighting different economy sectors – “Impulse”, for communications, “Zheleznichar”, for the railway transport, “ABC”, for construction and architecture, “Rudnichar”, for mines and ore extraction, etc.

In 80 big and medium-sized provincial

towns are published more than 200 newspapers. A portion of them are dailies and in some towns there are more than one – like in the towns of Plovdiv, Varna, Bourgas, Karjali, Pernic, Razgrad, Shoumen, Blagoevgrad, Silistra. Still no one of the provincial newspapers have achieved a nation-wide circulation and influence.

The circulation of the Bulgarian newspapers is dynamic in numbers and depends on the rapidly changing newspaper prices, on the activity of the distributors in the different seasons, and the constant repartition of the readers auditorium due to the emergence of new publications. In 1995 with the largest circulations were the newspapers “24 Chassa” /280 000– 350 000 daily/, “Troud” /175 000 – 200 000 daily/, “Douma” /75 000 daily/, “Nosten Troud” /68 000 daily/, “Zemya” /61 000 daily/, “Novinar” /58 000 daily/, “Standart” /56 000 daily/, “Democratziya” /49 000 daily/. Among the weeklies the largest circulations enjoyed “Zhult Troud” /260 000 weekly/, “168 Chassa” /77 000 weekly/, “Treta Vazrast” /60 000– 100 000 weekly/, “Nedelen Standart” /48 000 weekly/. The most popular Bulgarian magazine throughout the year was “Paraleli” – illustrated magazine for politics and culture, published by the Bulgarian Telegraph Agency. Considerable popularity enjoyed the magazines “Bliasak” and “Supermarket” – they are aimed at the largest readers auditorium and are published by private owners. Continue their circulation the magazines with long lasting tradition “Zhenata Dnes” and “Zdrave” although they do not achieve their success from the past years.



# TELEVISION AND RADIO

## THE PRIVATE TV AND RADIO EMIT IN THE SHADOW OF THE NATIONAL BROADCASTERS

**T**he Bulgarian National Television has been existing for 35 years and nowadays broadcasts its programmes via two channels – “Kanal 1” and “Effir 2”. The annual duration of the programmes is about 6 500 hours. According to BBSS GALLUP surveys, approximately 6 300 000 viewers watch the “Kanal 1” transmissions. Nearly 3 800 000 viewers watch the “Effir 2” transmissions – a part of the population cannot receive those transmissions due to lack of television signal on their frequencies for some regions of the country.

As most popular programmes on “Kanal 1” for the year dominate “Po sveta i u nas” /primetime news/, “Panorama”/a weekly revue/, “Otzvuk” /a discussion programme/, “Otkrito” /a discussion programme on the acute current problems/, the business programme “Plus – minus”, “Nablyudatel”, “TV spravochnic”. From the programmes of “Effir 2” the most notorious for the year are the newsreel “Dnes” and the digest of news, politics, culture and sports “Vsiaka Nedelia”.

Through the year is maintained prevalence of the information television programmes, the enlarged number of sports and commercial transmissions. There is no change in the number and duration of the education and music programmes. Religious programmes are regularly broadcasted, too.

Many regions of the country can receive the Russian TV “Ostankino” programme.

In 1990 the Bulgarian National Television began to retransmit channel “France International”. An agreement has been concluded on programmes of “World Net”, “CNN” and “Deutsche Welle”. Some of the information programmes of CNN are retransmitted with dubbing on Bulgarian language.

This year some private television channels

started broadcasting programmes. Particularly popular are the programmes of the private channels “Nova Televisia” and “7 Dni” which are broadcasted for the region of Sofia. There are private television broadcasters in some other towns – Dobrich, Pleven, Kazanlak. Licences for private television channels are granted for 20 towns throughout the country.

In Bulgaria are broadcasted two programmes of the Bulgarian National Radio – “Horizont” and “Hristo Botev”. Besides, there are regional state-owned radio networks in the towns of Plovdiv, Varna, Stara Zagora, Blagoevgrad and Shoumen which broadcast their own programmes and join the programmes of the National Radio.

In 1995 successfully affirmed and enlarged their popularity on the air a number of private radio stations – in Sofia: “FM+”, “Darik”, “Express”, “7 Dni”, “99”, “Tangra” and in the country: “Kom”, “Vesselina”, “FM radio Targovishte” etc.

The duration of the programmes of the National Radio and the private radio stations increased in 1995 several fold in comparison to 1990. Doubled are the hours for information, education, culture, entertainment, sports and commercial programmes. The hours for radio-theatrical productions decreased. There is a considerable increase in the number and duration of the religious programmes.

For half a century now the Bulgarian National Radio has been broadcasting for listeners abroad. Today it broadcasts in 11 languages every day.

The state regards the television and the radio with special attention. An expression of this is the constituency of a permanent parliamentary committee for radio and television.



# CULTURAL MONUMENTS

## • Thracian Treasures

**PANAGYURISHTE GOLD TREASURE.** Early 3rd century BC. Nine gold vessels, total weight 6.164 kg (23 carats), four rhytons shaped like a deer head, three rhytons featuring a female head, an amphora rhyton and a phial with concentric circles and depiction of nude Negroes. National Museum of History, Sofia.

**VULCHITRUN GOLD TREASURE.** Early 2nd millennium BC. Thirteen gold vessels, total weight 12.425 kg decorated with geometric patterns. Minimum admixtures of silver, copper and iron in the gold. The vessels must have been used in religious practices. Presumably owned by a Thracian king or priest. National Museum of History, Sofia.

**ROGOZEN SILVER TREASURE.** Late 5th century to the first 40 years of the 4th century BC. 165 silver vessels, total weight 20 kg; 31 of the vessels are gilded. The largest Thracian treasure found incidentally in the common of the village of Rogozen in 1986. Made by several generations of Thracian masters. National Museum of History, Sofia.

**VARNA GOLD TREASURE.** First half of the 4th century. Nine gold objects (22 carats), total weight 417 g. Decoration items with inlaid pearl, opal, malachite, garnet, glass and enamel. Varna Archaeological Museum.

### **BUKYOVTSI SILVER TREASURE**

Late 6th-early 5th century BC.

Silver vessels, an exquisite silver jewel and silver horse bridle ornaments. Ten objects preserved.

The treasure may have belonged to a local Thracian ruling clan and was buried at a time of grave danger.

It is of indisputable scientific value.

### **VRATSA GOLD TREASURE**

Mid-4th century BC.

Magnificent gold and silver funerary gifts, found in the center of the town of Vratsa in three Thracian tombs.

The gold laurel wreath (diam. 24 cm, wt. 205 g) and the gold earrings (ht. 7.5 cm, wt. 37 g) are rare masterpieces of the ancient goldsmith's art. The golden jug (ht. 9 cm, wt. 240 g) made of pure gold is unique among the numerous monuments of Thracian art.

### **GALICHE TREASURE**

3rd century BC.

Only 14 silver-gilt appliques have survived from the GALICHE treasure. They are round shaped and of various size, decorated with various vegetal ornaments, human and animal figures. The appliques seem to have been nailed to a ceremonial shield or scale armor of a Thracian chief.

These treasures illustrate the development of the Thracian artistic style in a much later phase than the rest of the known Thracian finds.

Delivered to the National Archaeological Museum in Sofia.

## • Bulgarian Sites Included on UNESCO's World Heritage List

### **THE MADARA HORSEMAN**

Early 7th century AD.

An expressive bas-relief, carved high out of the sheer rock, and depicting a horseman spearing a lion. It symbolizes greatness of the ruler and the power of his state. Europe's only rock relief dating from the early Middle Ages.

Located 20 km from the town of Shoumen, NE Bulgaria.

### **THE KAZANLUK TOMB**

4th-3rd century BC.

A Thracian beehive tomb from the



Hellenistic period, containing extremely valuable murals.

The tomb consists of a square antechamber, narrow passage and tomb vault with a beautiful frieze depicting three racing chariots and an exceptionally vivid scene of a funeral feast. The best preserved monument of Thracian art from that period.

Located near the town of Kazanluk in the Valley of Roses.

#### THE TOMB NEAR THE VILLAGE OF SVESHTARI

First half of the 3rd century BC.

A Thracian-Hellenistic tomb made of cut stone blocks and depicting ritual scenes. The wide frieze of stone panels adorned with ten female figures is an unusual sculptural composition.

Unearthed near the village of Sveshtari, Razgrad region, NE Bulgaria.

#### RILA MONASTERY

First founded in the 10th century,, its present-day appearance dating from the mid-19th century.

The most famous monument of Bulgarian architecture and culture from the National Revival period (the early Renaissance). The greatest Bulgarian monastery with exquisite architecture, fantastic wall paintings, brilliant iconostasis, a rich collection of icons and old manuscripts and a magnificent masterpiece of the Renaissance – a wooden cross with 140 microscopic Biblical scenes featuring more than 1500 figures, the largest of them not bigger than a grain of rice.

Located 120 km southwest of Sofia in the heart of the Rila Mountains.

#### BOYANA CHURCH

The existing church was extended and decorated in 1259. A tiny church containing an astonishing set of 13th century frescoes, painted in a realistic manner, rejecting the stiff and formal Byzantine style of their era, and anticipating the style of the Italian Renaissance. The most vivid portraits are those of the donors of money to the church, sebastocrator Kaloyan and his wife, Dessislava, and the Bulgarian king Konstantin Assen and his wife Irina.

Located in the village of Boyana, in the foothills of Mount Vitosha, 8 km from the Sofia city center.

#### NESSEBUR

The ancient town of Nessebur, which has

been declared a reserve, is situated on a tiny peninsula on the Black Sea coast linked with the mainland by a narrow isthmus. Some of the finest achievements of mediaeval church architecture are preserved here. The ancient fortress wall, the town's churches with splendid appearance and over 60 National Revival period houses characterize the town of Nessebur as one of Bulgaria's oldest and most picturesque ones.

Located 3 km south of Sunny Beach resort on the Black Sea coast.

#### ROCK CHURCHES

Middle Ages.

Several medieval churches, chapels and monastic cells have been dug into the rocks flanking a scenic river valley. Located at a height of 6 to 8 meters, the cells were inhabited by monks until the 17th century.

Chronicles of the preserved church murals show that the community of hermits also created a blossoming literary center during the 13th-14th century.

The Archangel Church built in the 14th century is the best preserved. The 13th and 14th century murals depicting Biblical scenes are of great artistic interest.

Located near the village of Ivanovo, Rousse region, NE Bulgaria.

#### SREBURNA WILDLIFE RESERVE

A shallow lake near the Danube river, one of the most interesting and typical wetlands in Europe, abounding in an amazing diversity of plant varieties and animal species.

Almost half of all Bulgarian birds nest here. Located close to the town of Silistra, NE Bulgaria.

#### PIRIN NATIONAL PARK

It lies in the highest part of the Pirin Mountain.

Forests cover 60% of its total area. Trees between 280 and 1000 years old have been declared natural sites, the oldest one being the 16 meter high Baikousheva white fir which is 1200 years of age.

The Pirin National Park has exceptionally rich and varied flora and fauna. This is the kingdom of alpine flowers. The Pirin edelweiss, the best known of them, grows on sheer rocks leading to Mount Vihren (2914 m).

Glacier lakes, caves, water falls and steep peaks form part of the magnificent scenery. Pirin is one of the most beautiful Bulgarian mountains.



# CULTURAL HIGHLIGHTS 1996

## • Events in Bulgaria

### MUSIC:

- **SOFIA MUSIC WEEKS** /27th International Festival/. Annual event since 1968. Traditionally opens on May 24 –the Day of the Bulgarian Education, Culture and the Slavonic Alphabet. Member of the World Federation of International Music Festivals. Sofia, May 24 – July 2.
- **11th INTERNATIONAL COMPETITION FOR YOUNG OPERA SINGERS “BORIS CHRISTOV”**. Member of the World Federation of International Music Competitions. Sofia, June 21 – July 2.
- **APOLLONIA ARTS FESTIVAL**. Held for the 12-th time in the town of Sozopol on the Black Sea. A panorama of different arts – music, theater, painting, cinema, etc. Sozopol, September 1 –September 10.
- **MARCH MUSIC DAYS** /36th International Festival for Symphony, Vocal and Instrumental Music/. Held annually under the auspices of the Municipality of the town of Rousse with the help of the Union of the Bulgarian Composers and the Union of the Bulgarian Musicians. Rousse, March 17 – March 31.
- **VARNA SUMMER** /International Arts Festival/. Organised for the 70th time in the town of Varna on the Black Sea; includes International Arts Festival, International Ballet Competition, Music Festival, International Summer Academy, Folk Festival, Jazz Festival, etc. Varna, June 1– August 8.
- **INTERNATIONAL FESTIVAL OF MODERN MUSIC**. Sofia, June 11 – June 17.
- **GOLDEN ORPHEUS** – International Festival of the Bulgarian Pop Song. It is been held for 30 years in the Black Sea resort of Sluntchev Briag. Slanchev Bryag, August 30 – September 3.
- **INTERNATIONAL CHAMBER MUSIC FESTIVAL** – Plovdiv, June 9 – June 21.
- **NEW BULGARIAN MUSIC** – A forum of the Bulgarian composers. Sofia, April 5 – April 16.
- **SECOND NATIONAL COMPETITION “YOUNG MUSIC TALENTS”** – Sofia, April 25 – May 5.
- **FESTIVAL OF OPERA AND BALLET ART** – Stara Zagora, May.
- **GOLDEN DIANA CHAMBER MUSIC FESTIVAL** – Yambol, May 9 – May 16.
- **DICKO ILLIEV NATIONAL FESTIVAL OF BRASS BANDS** – Montana, May 10 – May 12.



– “SINGING LARK” NATIONAL COMPETITION FOR CHILDREN SONGS – Bourgas, May 31 – June 1.

– SECOND FESTIVAL OF FOLK ARTS – Stara Zagora, June 2 – June 4.

– VERDY MUSIC FESTIVAL OF THE ANTIQUE THEATER – Plovdiv, June 21 – June 31.

– GOLDEN REBEC – 27th Regional Traditional Folk Festival – Rousse, June 16.

– 24th INTERNATIONAL FOLK FESTIVAL – Bourgas, August 26 – August 31.

– INTERNATIONAL FOLK FESTIVAL – Plovdiv, August 27 – August 31.

– COAST OF HOPE – International music competition for solo artists, chamber and grand orchestras, chorus. Dobrich, September 10 – September 17.

– GOLDEN CHESTNUT – Old town songs festival. Petrich, September 27 – September 29.

– 11th JAZZ FORUM /with international participation/ – Rousse, October.

## **BOOKS:**

– NATIONAL BOOK FAIR – Sofia, May.

– FESTIVALS OF CHILDREN BOOKS – Sofia and throughout the country, May.

– SEMINAR “NATIONAL BIBLIOGRAPHIES, ISBN, CATALOGUES

OF BOOKS IN STORAGE” – Held with the help of the Counsel of Europe and the participation of foreign lecturers. Plovdiv, September.

## **THEATER:**

– NATIONAL FESTIVAL OF SMALL THEATRICAL FORMS /with international participation/ – Vratza, first decade of May.

– SUMMER THEATER UNIVERSITY /with international participation/ – Sliven, June 7 – June 30.

– GOLDEN DOLPHIN – International Puppet Festival /10-th jubilee edition/ – Varna, October.

## **CINEMA:**

– GOLDEN ROSE – National Film Festival. Held for 40 years traditionally in Varna on the Black Sea. Varna, September 27 – October 3.

– LOVE IS MADNESS – International Festival of the Romantic Film – Varna, September.

– SENSAGUINTA PRISTA International Film Festival – Rousse, June 3 – June 14.

– REVUE OF THE EUROPEAN COPRODUCTIONS and Seminar on the Forms and Possibilities for Coproductions under the auspices of European Union – Sofia, May 31 – June 7.

– KINOMANIA’96 /A revue of the best films from the repertoire of the Bulgarian distributors/ – Sofia, National Palace of Culture, November.



## • Foreign Events in Bulgaria:

– 11-th GENERAL ASSEMBLY OF ICOMOS /International Counsel of Culture Monuments/ – Sofia, October 5 – October 9.

– BRITISH DAYS IN BULGARIA – Guest performances of the Royal National Theater – London in the Ivan Vazov National Theater, Sofia, May 27 – June 2; Guest exhibition of the “Gospels of King Ioan Alexander” from the funds of the British Museum – National History Museum, Sofia, April – June.

– DAYS OF THE JAPANESE CULTURE IN BULGARIA – October – December.

– DAYS OF THE ALBANIAN CULTURE – November 14 – 29.

– PANORAMA OF THE RUSSIAN CINEMA – Sofia and Varna, October.

– EXPOSITIONS OF PAINTINGS AND GRAPHICS FROM NORTH KOREA /January 23 – February 9/, IRAQ /February 13 – 27/, Russia /February 29 – March 12/, SLOVAKIA /March 14 – 30/, FRANCE /April 1 – 15/, GREECE /May 2 – 18/, GREAT BRITAIN /May 21 – June 4/, AUSTRIA /June 6 – 22/, POLAND /August 15 – 30/, ISRAEL, caricature /April 17

– 30/, SOUTH AFRICA, children drawings /July 30 – August 13/.

## • Bulgarian Events Abroad:

– DAYS OF BULGARIA IN RUSSIA, March – May.

– THE GOLDEN MONASTERY EXHIBITION – Art and Artefacts from IX to XIX Century – Dusseldorf, Germany – February; Venice, Italy – September.

– PARTICIPATION IN INTERNATIONAL BOOK FAIRS: Minsk – February, Skopie – May, Sankt Petersburg – May, Moscow – September, Frankfurt – October, Bratislava – November.

– PANORAMA OF THE BULGARIAN CINEMA: Moskow – March, Sankt Petersburg – April, Nizhni Novgorod – May.

– PANORAMA OF THE YOUNG BULGARIAN CINEMA – Paris – April.

– PARTICIPATION IN THE INTERNATIONAL FILM FESTIVAL IN BERLIN with the film by Ivan Cherckelov “Rolling Stones” – February.

– BULGARIAN FILM WEEK – in the French-speaking part of Belgium – December.



# 7. SPORT

## THE ELITE OF BULGARIAN SPORT IS GETTING OLDER, BUT SCORES VICTORIES UNCOMPROMISINGLY

**B**ulgaria, like the whole world, enters 1996 looking to the greatest forthcoming event on the planet – the Olympic Games in Atlanta. Therefore, the valuation of the sports 1995 will be by the Olympic criteria.

According to preliminary forecasts, sportsmen from 196 states are expected to participate at the games. The “geography” of success and medals in the Olympic disciplines considerably changed during the last years. According to the statistics, at 17 world championships in Olympic sports in 1995, 70 countries have won medals, and 42 countries – gold medals! The competition in Europe is still more equalised: 39 out of 41 countries have won medals!

It is not at all easy for Bulgarian sportsmen to retain positions in this competition. Moreover, the prevailing opinion is that the changes having taken place in the economic situation of the country, are the reason for a considerable weakening of Bulgarian sport. Much to our delight, this does not apply to the elite which in 1995, as well, managed to defend the reputation built by success during the last decades. The worry comes from the fact that the “second echelon” and especially youth formations do not fill in the first rows, and that is definitely connected with considerable difficulties due to lack of financing for mass sport.

### • 35 Medals in Europe and the World

This is not the worst balance for the year. Statistics shows that, compared to

1994, the Bulgarian European and world champions are more.

The popular Bulgarian champions not only retained but affirmed their names among the world elite. The world record-holder in high jump Stefka Kostadinova, just a few months after giving birth to a son, came back to the stadium, took part in the world championship and won the title. Along the blue corridors Nikolay Bouhalov triumphantly took the world cup and 2 titles and did not let for a wink the doubt that he continues to be Number One in canoe. The boxers Serafim Todorov and Daniel Petrov again defended on the ring the Bulgarian champions trademark, and Maria Petrova, the “Queen of Graces” won third world title in rhythmical gymnastics. The wrestler Valentin Yordanov with seven world titles is already among the “record holders” in the whole history of this sport, and the precise sight of the beauty Vessela Lecheva already 4 consecutive years brings her the acknowledgement of “First Lady” in world shooting... These golden dimensions of success keep the spirit and optimism of Bulgarian sport that in Atlanta the modest results of Barcelona ‘92, where only 3 titles had been won, could be overstripped.

### • The Football Players Kept the Image

achieved at the world cup finals in the USA in 1994 by qualifying for the first time among the finalists of “Euro ‘96”



in England. In the preliminary group in 10 matches the Bulgarians allowed only 2 defeats and one equal, and together with Germany continue the struggle for the European summit. Moreover, it's not only the playing of the national team but the participation of many Bulgarian players in the elite championships of Italy, Spain, Germany, Portugal, England, Switzerland, that point them out as stars of their club teams. The names of Stoichkov, Balakov, Penev, Lechkov, Mihailov, Ivanov, Houbchev, Yankov are objects of high esteem and commentaries in the western press. However, the presentation of the Bulgarian teams in the European club competitions was again unsuccessful.

### • **The Younger Have Hopes, Too,**

not only in the Olympic disciplines but in other sports, as well, where the whole present image of Bulgarian sport is shaped.

In track-and-field, along with Stefka Kostadinova, three other Bulgarian girls are going to struggle for high results: Iva Prandzheva – hop-step-and-jump, with two silver medals from Barcelona in-door and Goteborg out-door world championships; Daniela Gueorguieva – 400 m sprint and Svetla Mitkova – shot-put, both of whom last year entered the athletic elite. In the past, the strength of Bulgaria in sports was measured by the victories of our weight-lifters and wrestlers. In the last years they stepped back from the lead but Nikolay Peshalov, Sevdalin Minchev, Yoto Yotov, Ivan Chakarov still have to say their heavy word in weight-lifting. The European champion in judo Ivan Netov will chase the gold medal, and our gymnasts Yordan Yovchev, Krassimir Dounev and Ivan Ivanov play combinations of champions' super-class. The swimmer Denislav Kalchev has qualities to be among the first...

Another name that gained world popularity throughout the year is that of the young chess player Vesselin Topalov,

who after a series of successful games, accomplished the season with equal result versus Anatoly Karpov in quick chess in Varna.

The year was successful for Bulgarian volleyball players, too – they ranked fifth in the World League in July 1995 in Rio de Janeiro, and two months later were fourth on the European Championship in Greece. The rest of the collective sports had modest success.

When prognoses are being made and future successes are being expected, this is simply the “echo” of the past 1995 when we can evaluate Bulgarian performance as a good one. The problem is that, little by little, the time of the present champions goes by. Some of them have 3, even 4, Olympics behind. For coaches and functionaries the question how to improve both training and qualities of the young still remains open.

Major changes have been taking place in the foot of the pyramid of Bulgarian sport. These are, above all, a new and efficient organisation of sport among school and university students, restoration of functioning of the Association of Rural and Workers Sport and creation of a new structure in the clubs. With the liquidation, the sports conglomerates which comprised the whole activity in towns and villages, were broken up into separate sports clubs. This turned out to be a “gold mine” only for bureaucrats. Practically, many of these clubs are “phantoms” – without coaches, without sportsmen.

In 1995 the new management of the State Committee for Physical Education and Sport, supported by public formations – Bulgarian Olympic Committee, Bulgarian Union for Physical Culture and Sport, “Bulgarian Sport” and “Sport for All” Foundations, created a new structure ensuring allocation of the decreased budgetary funds only to where work is being done efficiently. The number of specialised sport schools, which had consumed large funds but the “production” of future masters had been next to nothing, was decreased.



## BULGARIAN STARS IN SPORT

### • **Stefka Kostadinova** **10 Years After** **Still Number 1**

10 years ago, when she became world champion in Paris, European in Piraeus, and in Canberra won the World Cup, too, the media unanimously pronounced Kostadinova Sportsman Number 1 of Bulgaria. Two years later Stefka reached her cosmic peak – 209 cm, the record that still remains unsurpassed to date. Now, in 1995, after her victory in Goteborg for the third time she stands at the top of Bulgarian sport stars.

Stefka Kostadinova was born in Plovdiv on 25 March 1965. As of 1985 she is the wife of Nikolay Petrov who is her coach to date. On 20 January last year Nikolay Junior was born. The list of the famous athlete's successes and victories is endless. She is unreachable record holder with a result of 209 cm. Possesses two world titles at the out-door championships in Rome (1987) and Goteborg (1995), four in-door world victories – Paris (1985), Indianapolis (1987), Budapest (1989) and Toronto (1993). With 5 gold medals from European championships Kostadinova is the most titled lady athlete on the Old Continent. Her dream that has not yet come true is the Olympic gold, after she won the silver medal in Seoul. The results of Stefka are unique – she succeeded throughout her whole career 165 times to overcome 200 cm.

### • **Nikolay Bouhalov –** **“the Indian”** **from** **the Village of Dabene**

When once the world canoe superstar Nikolay Bouhalov had been asked whether he had something Indian in his blood, he had replied playfully: “Since the Indian canoe is in my blood, maybe in Dabene are being born some...”

The village holds the future champion very little, and the Sports School “V. Levski” in Plovdiv gives him the first lessons in the great sport.

His life has passed along the rowing canals. His wife Tzvetanka is also a former kayak competitor. But his daughters, Vanya and Pamela, Bouhalov does not direct towards his sport, he prefers them to play tennis.

At 28 years of age, during the past season, too, Nikolay remained a mega star. At the world championship, in a most categorical manner, he won the sprint disciplines of 200 and 500 m and already has the richest collection of medals among all his international competitors. That year the Bulgarian won the newly established World Cup, too.

Now, for Bouhalov, a caring and loving husband and father, everything is on the second plan because ahead of him is the last high goal – the titles of Atlanta.



## • Maria Petrova – the Grace of Graces

Maria Petrova is only 20 years of age but already holds all records in champion's titles and medals in world rhythmic gymnastics ever won. If success comes to her at the Olympic Games in Atlanta, she will probably enter the "Guinness" book.

In the past 1995 Maria for the third time conquered the world summit, this time in Vienna. In a difficult situation she once again demonstrated her iron-hard will and with full concentration did not even for a moment give her competitors from the former Soviet Union a chance.

Maria is in one and the same time "The Grace of Graces" and a mere earthly girl. Fifteen of all her 20 years have passed in the sport hall, therefore, naturally, the time to look at youth with different eyes has come. Last year the journalists frequently tried to have a look behind the curtains of her life. Mainly because of her friendly connection with the national goal-keeper Bobby Mihailov.

With the name of Maria is connected another event of the past year, as well. A famous French perfumery house developed a "Maria Petrova" brand scenting of flowers including jasmin and lilac.

## Valentin Yordanov – Seven Steps to the Roof of the World

Valentin Yordanov was born on 16 January 1960 in the small village of Sandrovo, District of Rousse.

Only one great wrestler in the world has as many titles as the Bulgarian – Alexander Medved. Yordanov opens the list of victories when he is 22. He

in free style wrestling (category up to 52 kg).

The road to the world summit dates as of 1983 in Kiev. The Bulgarian defeats in the final the experienced Japanese Asakura. The second gold medal comes two years later in Budapest – with a routing result he wins versus Dayubov (Russia). In 1987 in Clermont Ferrand, in the final, he stands versus a champion – Kim from North Korea – and with unbelievable technique outplays the iron-strong Korean. The next triumph, again two years later is in Martini (Switzerland). With Toguzov they have "old accounts to square" but no one thought that the decisive skirmish the Bulgarian will win with a routing result.

The fifth world title he wins in Toronto (1993). The hall is full of Iranians who frantically support their Mohammadi but in the champion's wrestle Yordanov overcomes. In Istanbul (1994) in only 2 minutes the Bulgarian beats Abdulaev (Azerbaijan) with touchdown. The wreath of the "grand seven" of medals is the victory in Atlanta (1995).

Now the ambition of Valentin Yordanov, already aged 36, is for the first time to crown himself and finish his career with gold at the Olympic Games.

## • Serafim Todorov – the Boxer of 21st Century

The Polish journalist Olszewsky wrote about the Bulgarian boxer: "Serafim is a boxer of another galaxy". Unquestionably, Todorov is the mega star of the world ring in the nineties.

Specialists' acquaintance with him is at the European Youth Championship in Copenhagen in 1986 when he won his first title.

The list of great victories continues



among men. In Europe there is no equal to him and he is three times champion – in Athens (1989), Goteborg (1991) and Bursa (1993). He has appeared at four world championships and only on the first one – in Moscow (1989) in the final he loses from the famous Cuban Carrion.

Already five years on the world ring he has no equal. In Sydney (1991), in the final, the Bulgarian has his total revenge on Carrion “sweeping him away” with 25:5! Two years later, in Tampere, the strength of the two “eternal” finalists meets them again in a decisive fight for the title. And again Todorov triumphs. There he receives, as well, two memorable cups – for the most technical boxer and the “Russell” Award given to “the best boxer on world championships”. The third world title he gets in 1995. On the ring in Berlin many expected his failure. He had been training for the championship for only a month and a half, and the media frequently commented on his life which has nothing to do with ascetism. But on his way to the third gold medal, Serafim defeated his most difficult rival – the German Chuste, and in the final he just “played a little” with the Algerian Medjihoud. Thus, the Bulgarian entered the history of boxing forever.

### • Vessela Lecheva – the Lady Who Defeats Men

In the last years the show in sport shooting – competition-outshooting among the most elite men and women, became particularly popular. And it seemed to give new open spaces to the famous Bulgarian Vessela Lecheva who was already feeling “bored” with women. Then she defeats at any time and at all greater competitions, and therefore has been acknowledged by the International

Federation for the last four years “Shot Number One in the World” in the competition for the World Cup. Twice in that show (in Belgrade and Tampere) she defeated men, too.

The same happened in 1995 when, besides the Cup, she took another two European titles and scored two world records (there was no world championship then). Vessela was born on 24 May 1964 in Veliko Tarnovo; still young, she was honoured at the end of last year with “The Champion’s Longevity” award of the “Bulgarian Sport” Foundation.

She started shooting as a child besides her father, who is still her coach to date. She has won 2 silver medals at Olympic Games (naturally, now she has the ambition for gold in Atlanta), 5 world titles, 8 European. The name of Vessela Lecheva stands opposite 4 world records!

It is curious that the best shot in the world has a hunting licence and gun but had never hunted and shall never hunt because any violence repulses her.

### • The Maleevi Sisters – a Phenomenon in Tennis

A decade already, the three Maleevi sisters are in the center of world tennis. The court was first conquered by the eldest – Manuela, who reached third place in the world rank-list, already discontinued her career and at the age of 29 is preoccupied only by taking care of her baby. A little lower – sixth, Katerina was standing after her. The years (she is already 27) are giving their verdict and she feels tired lately.

The third daughter of Julia Berberian, the uncompromisable mother and coach, who led her children to the summits of the most competitive professional sport, Magdalena, is only 20. Maggie, as she is already known all



around the planet, is in the height of her career.

In the past 1995 Magdalena Maleeva reached her highest peak – fifth place in the world rank-list. From the numerous tournaments, the most memorable will remain her victories over Sabatini in Chicago, and over Mary-Joe Fernandes in Awkland, thus winning the first places. Magdalena has rarely a possibility to play grand matches before Bulgarian public but in Sofia she gave incredible joy to her compatriots by defeating weightily Arancha Sanches.

The life of “organised, competing child” has obviously deprived her of many simple joys and, therefore, she dreams of spare time with friends, and if she is alone, rereads Sellinger and Steinbek.

### • **Krassimir Balakov, Hristo Stoichkov – Conquerors of the Football Planet**

Both stars of Bulgarian football (soccer) Krassimir Balakov and Hristo Stoichkov are already well known – in the latest finals of the World Champion USA '94 they were placed in the “Starry Eleven”, and Stoichkov was the top scorer.

Balakov plays his first match in a children's team in 1977 in Souhindol. In this small Bulgarian town there is still the cellar with the best wines and the latest “brand” for export is “Balakov”. Four years later he puts on the national

teenager football shirt. The youngest player in the team of “Etar”, with which later he becomes champion of Bulgaria, at the age of 16 he plays his first international match versus “Sporting”, Lisbon, and, by irony of fate, when he becomes a “foreigner” it is just “Sporting” that enlists him.

As of 1995 he is in the German “Stuttgart”. With his play he has the highest mark in the whole Bundesliga.

The holder of the “Golden Shoe”, and later – of the most prestigious award the “Golden Ball” of Europe for 1994, during the last season he preserved his high image, too. Conflicts with Kruyff separated him from “Barcelona” but there he left his personal contribution of 4 titles for the Catalonians in 4 years. It is not by chance that at the end of 1995 he received the special award of the King of Spain for “contribution in the development of sport”.

On 8 February 1995 Stoichkov accomplished 30 years – the real age of maturity of a football star. His adaptation in one of the most prestigious championships, that of Italy, does not go smoothly but with “Parma”, as well, the Bulgarian is fired with ambition for victories. After the successful qualifying of the Bulgarian national team for the European finals in England, all his ambitions are directed to a new Bulgarian “boom” in the football elite. In one of the most collective of the collective games there are no exact indices for individual classification but the leaders of the team are indisputably Balakov and Stoichkov.



# 8. TOURISM

## 8 MILLION FOREIGNERS VISITED BULGARIA, LEAVING USD 250 MILLION

**F**ew are the people in Europe, and perhaps in the world, who do not know Bulgaria as a tourist country.

History has bequeathed us plenty of cultural monuments from different periods, unique monasteries, the art of the icon-painting, the original folklore, beautiful nature, the world famous Valley of Roses.

Travelling across this comparatively small country (110 000 sq km), for a few hours you will cross several different levels – from the sea level to the highest peak in the Balkan peninsula – Moussala (2 925m). Flying over Bulgaria's territory one can see mountains, valleys, hilly plains and a seaside with vast beaches. More than half – 60 000 sq km of this territory is green.

Those who know well the Bulgarian mountains are aware that they present an extremely appealing tourist attraction. Winter in the Bulgarian mountains is comparatively mild with a lot of snow and sun – thousands of skiers from all over the world come to ski here from December till April.

The active '95/'96 tourist season up in the mountains is very good, the number of occupied beds in Borovets and Pamporovo – the two biggest Bulgarian winter sports resorts, being 85% on an average. The number of Englishmen, Germans and Dutch is the greatest. The popularity of another winter sports cen-

tre – Bansko which is famous for its original architecture and marvellous ski-tracks, has been growing.

Bulgaria's mountain world, except for the renowned ski resorts, is less familiar outside the boundaries of the country. That's a world which has preserved some of Europe's most abundant in tree and animal species forests providing magnificent conditions for hunting and fishing.

There is a multitude of reserves some of which have been included in UNESCO's World Natural Heritage list. They occupy over 30% of the country's territory. Most of them have a well developed tourist infra-structure. The impressing diversity of landscapes complies with all requirements for walking tours far from the urbanisation of the big towns.

Rural and ecological tourism is an alternative for which there exist excellent conditions in Bulgaria – the freshness and uniqueness of the Bulgarian spirit and traditions, numerous cultural and historical monuments, beautiful unspoilt nature.

In 1995 around 10 000 tourist overnight stays have been registered in rural houses in the Fore-Balkan Range, Srednogorie, the Rhodopes, Pirin, Rila, Strandzha and Danubian Dobroudzha. Rural houses with about 40 000 beds in these areas offer appropriate conditions



for this kind of tourism which in itself is a good opportunity for diversifying Bulgaria's tourist offer.

Besides this, thrill lovers are offered organised jeep trips along Bulgaria's mountain dirt roads – something which is exotic, indeed.

Nevertheless, sea recreation tourism continues to be the major part of Bulgaria's tourist offer – the tourist resorts of “Albena”, “Zlatni Pyassatsi”, “Sveti Konstantin i Elena”, “Slanchev Bryag”, the holiday villages of “Elenite” and “Djuni” and the base along the southern Black seaside are preferred for a summer vacation by thousands of tourists.

The French company “Club Mediterranee” has been working with Bulgaria for 28 years. The vacation village of “Roussalka” on the northern Black seaside enjoys an enormous popularity among tourist customers.

Under the contract signed for another ten years at the end of 1990 Roussalka will be updated with courses for golf – a sport which has been rapidly developing. Club “Mediterranee” plans the establishment of a regional centre, to be seated in Bulgaria, for the East European countries.

The Bulgarian tourist offer has been expanding and presents new products. Ever more tourist companies have been switching over to combined programmes – sea, balneological treatment and mountains.

The established balneological base offers rehabilitation and prophylaxis with the use of original Bulgarian methods and programmes of treatment, up to date medical apparatuses, Bulgarian curative preparations and phitotherapy. The balneological centres along the seaside (hotel “Dobroudzha” – Albena, hotel “Ambassador” – Zlatni Pyassatsi, “Grand Hotel Varna”, “Sveti Konstantin i Elena”, “Pomorie” – Pomorie) as well as inside the country

(Sandanski, Velingrad, Hissarya, Kyustendil, Bankya, etc.) provide conditions for balneo-, mud- and health treatment combined with restorative treatment and rational and diet-based nutrition. Cardio-vascular, intestinal, diseases of the joints and other diseases of the locomotory system are being cured very successfully.

Bulgaria admits for treatment medically insured balneo-tourists with the above diseases for which the Bulgarian balneological hotels and resorts have been asserted and recognised as specialised health establishments.

The share of congress tourism has been growing in the general tourist palette. In the past year Bulgaria was the venue of about 100 international congresses and meetings such as: The World Congress of Game Breeders, the European Meeting of the Ecology Ministers, the Meeting of the Countries from the Black Sea Economic Region, etc.

1996 is even richer in congress initiatives. Suffice it to mention the Annual Session of the European Bank for Reconstruction and Development (3 500 participants) to take place in Sofia in April, the Congress of the World Organisation for the Protection of Cultural Heritage to be held in Sofia in October, etc.

A lot is being done to create conditions for providing a more diverse information about and advertisement of our tourist products. With the restoration of the National Information Reservation System foreign tourists get the necessary information and services in Bulgaria's tourist bureaus abroad, on their very arrival at the border and from the network of bureaus throughout the country.

There exist no visa restrictions to visiting Bulgaria. Foreigners visiting the country as tourists may get visas at the very border check-point, in the bureaus



of the specialised tourist company "Tourist Information and Reservation" Ltd. Tourist services which relieve tourists of paying an entry visa tax may be bought in the bureaus.

The economic results of the tourist activities in 1995 are a testimony that Bulgaria has asserted itself as a tourist country and its international prestige has been increasingly growing.

There exists the established material and technical base of the Bulgarian tourism (over 150 000 hotel beds) with its already nearly half a century old traditions and established or recently founded tourist organisations which have proved capable of developing international tourism despite the difficult economic conditions.

Over the past year revenues from tourism from the state sector alone reached 14 billion leva (around USD 250 million). Bulgaria was visited by around 8 million foreigners including 4.5 million transit tourists.

Along with the tourists from Western Europe there began a restoration of the tourist markets in the countries of the OIS, Czechia, Hungary and Poland. In 1995 the number of Russian tourists exceeded 1 million.

A basic aim underlying the strategy for the future development of tourism is to increase by two and a half times the revenues from tourist activity in the coming five years. The share of tourism in the country's GNP will grow from 2.5% in 1995 to 4.2% in 1998 as follows: 1995 – 2.5%; 1996 – 2.9%; 1997 – 3.7% and 1998 – 4.2%.

Tourism in Bulgaria is undergoing an active process of re-structuring and privatisation. In 1995, 38 enterprises and certain units of other enterprises were privatised with the total amount being 1,214 billion leva – an amount which exceeds several fold the balance value of the durable material assets of the companies. At the same time buyers

have undertaken to make investments to the total amount of 812 million leva in the modernisation of the purchased sites in the coming 3 to 5 years. The credit commitments taken by them after they have purchased the sites come up to 151 million leva.

1966 also marked the start of the mass-scale privatisation. Included in the privatisation list are 54 tourist companies. Interest in them has been growing. A number of foreign investors also show interest in privatisation and would like to participate in it.

Despite the successes scored, the tourist managers and the visitors who come to Bulgaria have well-founded claims for higher requirements concerning the quality of services in hotels and restaurants, the beach and ski-tracks. The price and advertising policies are being improved.

There exist some political prerequisites, such as the lifting of the Yugo-embargo, which have a favourable impact on the increase in the tourist stream to Bulgaria. This provides grounds to expect an even more successful 1996. Four projects for the development of Bulgarian tourism will be financed by the EU PHARE programme.

Utilised with the help of the foreign companies which won the tenders for the management of the projects will be over USD 5 million granted by the Council of Europe as aid to Bulgarian tourism. The projects are as follows:

- institutional support and assistance to tourist companies and organisations;
- training, qualification and re-qualification of the personnel;
- national advertising and marketing;
- coordinating programme;

In its turn, the Committee for Tourism is setting up a National Fund for the development of tourism which will be filled by installments from tourist companies, from resort taxes, sponsorship, licence and categorisation taxes. Part of the rev-



enues will provide for money to be invested in the development of new tourist products and zones. The bureaus of the Committee for Tourism in other countries – strategic tourist markets for Bulgaria, will be reopened. To further develop tourism it is necessary to also attract foreign investments.

In the present day favourable political situation, when the Yugo-embargo has been lifted, the quality of the tourist product and the level of prices are the factors which will solve, to a great extent, the problem of a rise in the number of foreign tourists to Bulgaria in 1996 and the years to come. They will help increase Bulgaria's relative share at already established and new markets by means of an active and flexible trade policy and maximum advertising, to comply with the realities and stress the specifics and advantages of Bulgaria's tourist offer which reflects the spirit and everyday life of the Bulgarian.

History, culture, climate and geographic location are the elements which present a magnificent opportunity for expanding the tourist offer. By using them rationally, by using well formulated economic conditions, Bulgaria stands all the chances of turning into a leading tourist country in the European region.

### **GOLDEN SANDS (ZLATNI PYASSATSI)**

Golden Sands is the most popular Bulgarian resort and, definitely, the most beautiful at the Bulgarian Black Sea coast.

It is situated at the northern Black Sea coast, only a few kilometers from the resorts of Albena to the North, and Sv. Konstantin i Elena to the South. 17 km to the South is the town of Varna – the third largest in the country, known as the maritime capital of Bulgaria. The town, emerged in the 6th century B. C., has preserved monuments from the

Roman and the Byzantine Empires, and one of the oldest gold treasures – that of Varna, dated 5,000 years B. C., consisting of 300 items weighing over 6 kg.

Golden Sands is a unique resort in many respects: the sea and the fine yellow sand are literally at the foot of a mountain covered with ancient broad-leaved forests. They are part of a national park of an area of 1,320 hectares, spreading on 9 km, with highest point of 276 m. The park is a Bulgarian ecological treasure and provides picturesque scenery of the hotels scattered amidst green trees of a natural forest.. The sea water is unpolluted and meets European standards. The air temperature in July and August is an average of 29 degrees Centigrade and that of the water is 24 degrees Centigrade.

Golden Sands is not an urban resort but a complex especially built to suit the requirements of a healthy and ecologically oriented sea tourism. There are several mineral springs on the territory of Golden Sands which have been known ever since the times of the Roman Empire. The output of the springs is 150 cubic meters per second, and modern spa centers are built among them.

Golden Sands disposes of 61 three-star and two-star hotels, 10 luxury villas, 2 villa settlements and a 200-place camping site. Totally, the resort offers 14,000 beds. In 1996 another three four-star hotels will open their doors: "Zlatna Kotva", "Morsko Oko" – reconstructed, enlarged and modernised jointly with foreign companies, and "Yavor" the new building of which has 400 beds.

Also modernized are the hotels "Morska Zvezda", "Obzor", "Tsarevets", "Trapezitsa", "Akatsia", "Gladiola". Between the latter two hotels a warm connection has been built which is also a gallery-bazaar of elite pieces of Bulgarian art and



applied art. Another warm connection – between “Ambassador” complex and hotel “Preslav”, allows tourists to comfortably make use of the larger one, “Ambassador”, with its swimming pool, fitness center, sauna, entertainment places...

Golden Sands has unique facts of nature: a combination of forest, beach, sea, mineral waters, which makes it preferable for many European tourists. The beach strip of clean golden sand is 3.5 km long and, at places, up to 100 m wide. Sun and sea bathing is possible from May to October.

Special care is taken for the ecological cleanliness of the resort. Authorised health organs check incessantly the sea water by 23 parameters, the soil and the beach for the gamma background, the atmospheric air – by 6 parameters. Golden Sands has been nominated for “The Blue Flag” by the International Foundation of Ecological Education in Copenhagen.

Traffic in the resort, for ecological purposes, is effected by electric mini-trains, velorikshas, bicycles and solar automobiles which were successfully experimented and this year their number will be increased.

Golden Sands offers excellent possibilities for entertainment. Attractive and joyful are the programmes of “Tsiganski Tabor”, “Rouska Troyka”, Konen Theater”, Picnic “Mecha Polyana” – their names only can spur imagination. And for the connoisseurs of good kitchen, the specialties in the folk-style restaurants “Vodenitsata” and “Kosharite” in a typical Bulgarian atmosphere under the temperamental performances of folk singers and dancers are a real pleasure. At the disposal of the tourists are numerous night

clubs, bars, discotheques, restaurants.

The possibilities for sport are great. The Yacht harbour offers 100 places along a 140 m wharf. Wind surfing, water ski and sea jets are offered by yacht clubs. The resort disposes of 10 tennis grounds, a horse-riding base, mini-golf, indoor swimming pools and several outdoor pools – all with mineral water, as well as of two modern fully equipped fitness centers – in the hotels “Ambassador” and “Iglika”.

Golden Sands – comfortable atmosphere, excellent conditions for recreation and entertainment.

### **COMPANY FOR INTERNATIONAL MEETINGS (CIM)**

Founded in 1992, the Company for International Meetings – CIM Ltd. emerged as the first private company specialised in congress tourism in Bulgaria. Since then CIM Ltd. has forged a new, high-profile standard of convening in this country and has smoothed the way for Bulgarian delegates out in the open world. An array of major international events – ranging from solid congresses, conferences, symposia and seminars, through business-like company presentations and exhibitions, to memorable cultural and sports activities – has been organised and conducted with the professional assistance of its devoted staff. Incentives and special interest tours have added the excitement of new discoveries for its clients. The guests of CIM Ltd. have come to distinguish its touch of class in taking care of their idea – from its conception to the concluding glass of Bulgarian wine.



# TOURISM IN FIGURES

## FOREIGN VISITS TO BULGARIA in 1995

	Total	Tourism	Business	Transit
<b>Total</b>	<b>8004584</b>	<b>2721026</b>	<b>191307</b>	<b>4538713</b>
Great Britain	51063	39359	6756	3120
Greece	230767	81632	25712	76631
Italy	23608	9709	7954	3186
Netherlands	19019	13695	2559	1585
Norway	13842	13137	263	196
C I S /Commonwealth of Independent States/	1216463	384041	25585	702276
Poland	37324	8490	1377	23106
Romania	1509601	75796	4409	1389368
U S A	17407	8413	5387	1616
Turkey	1825061	40847	27498	1678125
France	19637	13063	4397	848
Germany	202401	178882	11173	7201
Czech and Slovak Rep.	74901	23423	1738	44244
Sweden	17223	14869	1001	965
Jugoslavia	2346382	1630974	28099	482114

## VISITS OF BULGARIAN CITIZENS ABROAD in 1995

	Total	Tourism	Business
<b>Total</b>	<b>3524039</b>	<b>2314810</b>	<b>148567</b>
Austria	41907	33780	3104
Great Britain	33319	17600	4023
Greece	622237	538518	2035
Israel	22563	13764	1509
Italy	31959	19172	2676
C I S	7160	5527	354
Poland	23544	14527	1452
Romania	525797	268372	6887
U S A	23886	19791	1924
Turkey	761144	418713	8244
Hungary	21468	17217	1725
France	32850	23062	2905
Germany	139971	96193	19679
Switzerland	20980	16496	2435
Jugoslavia	1047805	722224	69399



# 9. LAND AND PEOPLE

## REPUBLIC OF BULGARIA

**T**erritory: 110,993.61 square km, 60% of the territory of the country is hilly and mountainous.

**B**oundaries: to the North – with the Republic of Romania – 609 km (470 km river and 139 km land); to the East – with the Black Sea – 378 km, to the South – with Turkey – 259 km and with Greece – 493 km; to the West – with United Republic of Yugoslavia – 341 km, and with the Republic of Macedonia – 165 km.

**P**opulation: 8, 384, 871 citizens, incl. 7, 200, 000 Bulgarians; 800, 000 Bulgarian Turks; 300, 000 Gypsies and insignificant groups of Jews, Wallachs, Russians, Greeks. The density of the population is 76.2 persons per square km.

**C**apital: Sofia (1, 116, 454 citizens)

**P**incipal cities: Plovdiv (346, 330), Varna (304, 500), Bourgas (199, 869), Rouse (168, 609), Stara Zagora, Pleven, Dobrich, Sliven, Shoumen. 67.2 % of the population is urban.

**A**dministrative-territorial division: 9 regions and 273 municipalities.

**O**fficial language: Bulgarian. Spoken languages are also Turkish, Russian, English, German.

**R**eligion: East Orthodox Christians – 86.6 % of the population. In separate regions Islam is professed – 13.1 %. Other religions – 0.3%.

**C**urrency: Lev. The exchange rate to the US Dollar is floating (On January 1, 1996 the exchange rate was 70.162 BGL for 1 USD)

**C**limate: temperate continental. Distinguished four seasons. South Bulgaria is reached by the Mediterranean influence.

**L**ongest river: Iskar (368 km)

**H**ighest mountain peak: Musala (in the Rila Mountain) 2925 m



# REGIONS IN BULGARIA

**T**he administrative-territorial division of Bulgaria is endorsed by a law of 1987, by virtue of which are formed 9 regions, 278 municipalities and 3,913 mayoralties. They build the regional structure of the overall social, economic, political and cultural life of the country. The regions and municipalities are the main centers through which state and regional policies are being effected. The regional administration is in compliance with the European Chart of Local Self-Government, adopted on 15 October 1985 in Strassbourg.

In Bulgaria there are 5,336 settlements whereas 238 are towns, 4,446 villages and 652 hamlets. Each one of these is distinguished by its nature, historical development, present social, economic and political structure, natural phenomena and cultural monuments, and even traditions, habits and customs.

## • The City of Sofia Region



Territory – 1,311 sq. km (1.2 per cent of the territory of Bulgaria)

Population – 1,192,000 (14.4 per cent of the population of Bulgaria)

Average density of the population – 909 persons per sq. km

The territory includes 24 municipalities. The region is situated in the southwestern part of Bulgaria and in the central zone of the Balkan Peninsula. The greater part of it occupies the lands of the Sofia Plain (1,000 sq. km). Surrounded to the North by the Balkan Range, and to the South by the Vitosha and Lyulin Mountains, the City of Sofia Region is a central transport junction in the Balkans. It is a crossroads of important international transport corridors – the international motorway to Belgrade and Istanbul and the shortest route from Northern Europe to Skopje, Salonica and Athens (the Aegean Basin) pass via Sofia.

**Nature.** The climate is moderate continental and mountainous. On the background of the Sofia Plain, picturesquely rises Vitosha Mountain (2,291 m above sea level). On the territory of the region there are many natural mineral springs – Gorna Banya, Ovtcha Koupel, Pantcharevo, Bankya. The chemical composition of the water is suitable for balneological treatment. In winter, Vitosha turns into an international center of ski tourism.

**Population, towns and culture.** During the last five years the population of the region has been growing. The highest is the growth rate of the city of Sofia.

The city of Sofia is the capital of the Republic of Bulgaria, with population of 1,116,454. It is declared capital on 3 April 1879. The city is situated in the foothills of the Vitosha Mountain, at 550 m above sea level. The development of Sofia was strongly influenced by its favourable transport geographical situation, hot mineral springs and fertile (black earth) soils.

Sofia is the political, financial and cul-



tural center of Bulgaria with the Parliament (the National Assembly), the Presidency, the Council of Ministers, the Constitutional and the Supreme Court, the headquarters of the ruling political parties and many missions of foreign organisations and unions. Sofia is the home of the biggest and most authoritative scientific institutions – the Bulgarian Academy of Sciences, the University of Sofia „Svety Kliment Ohridski”, the National Academy of Fine Arts, the Technical University, the University of National and World Economy, the Bulgarian Conservatoire, the National Sports Academy, etc. There are rich and valuable expositions in the Historical, Archaeological, Ethnographic Museums, the National Art Gallery, the Museum of Natural History. The Man and Earth Museum keeps unique exhibits, especially interesting is the Giant Crystals' Hall. Famous monuments of culture are the Boyana Church, the Alexander Nevsky Memorial Church with its rich collection of icons in the Crypt, the National Palace of Culture. Every year in Sofia are held various international festivals – Sofia Music Weeks, Music and Earth, etc. Posh Sofia hotels like Sheraton, Inter-Continental, Novotel Evropa, Rodina, Park-Hotel Moskva offer first class accommodation and top service. A Hilton hotel is under construction, too.

**Economy.** Industry dominates in the economy of the region. It makes over 90 per cent of the gross domestic product. There are large industrial enterprises in the city of Sofia – for ferrous and non-ferrous metals, for the production of machine-tools, for electrotechnical and electronic equipment, chemical plants, enterprises of the light industry – textile (wool and cotton), knitwear, shoes, leather goods, food industry. The city of Sofia produces about 30 per cent of the industrial output of the country. Transport is of great importance for the economic development of the region. Road, railroad and air transport, which „get linked together” in the city of Sofia, determine its national and international functions in Southeastern Europe.

Tourism is an important factor for the region's economy. Mountain tourism (Vitosha), health tourism (Bankya, Gorna Banya, Pantcharevo) and cultural tourism. Changes have been taking place in the economic development of the region since 1990. The share of the private sector increased, especially in trade, transport and tourism. Some of the big state enterprises are being privatised. The share of foreign investment in the region also increases.

### • Sofia Region



Territory – 18,978 sq. km (17.1 per cent of the territory of Bulgaria)

Population – 974,000 (11.6 per cent of the population of Bulgaria)

Average density of the population – 51 persons per sq. km.

The territory of the region is divided into 50 municipalities.

Sofia region is the largest in area. It borders with the Republic of Serbia and the Republic of Macedonia to the West and with the Republic of Greece to the South. The northern border goes along the ridge of the western part of the Balkan Range, and the eastern – along the ridges of the Western Rhodopes. The major cross-points along the western border are at Kalotina (40 km from Sofia) on the road Sofia – Nis; Gjuesevo (110 km from Sofia), on the road Kyustendil – Kumanovo; Stanke Lissitchkovo (115 km from Sofia) on the road Blagoevgrad – Delcevo; Zlatarevo (210 km from Sofia) on the road Petrich – Strumica. The communications with the Republic of Greece are effected through Koulata (200 km from Sofia).



Nature. The relief is varied – high mountains (Rila – the highest mountain in the Balkans, Pirin, Ossogovo, Belassitza), deep river valleys (Strouma and Mesta rivers) and vast flatlands follow one after the other. In the northern parts of the region the climate is moderate continental, and to the South – transitional Mediterranean. Differences are also peculiar for the soils and vegetation which reveals a transitional character of the nature complex of the region. In order to preserve certain natural phenomena and rare plant and animal species, national parks and reserves have been established, the more renowned of which are „Vitosha”, „Pirin”, „Parangalitza”, „Tissata”, etc.

Population, towns and culture. The population of the Sofia Region is peculiar with expressed regional differences. These are result from the influence of different factors – natural, social-economic, ecological and religious-ethnic. The ratio between urban and rural population in the region is 60:40. Bulgarians dominate in the ethnic structure – over 90 per cent of the population. Other small ethnic-religious groups are scattered along the middle and lower course of the river Mesta.

The administrative center of Sofia Region is the city of Sofia. This is the only exception in the regional administration of Bulgaria – the city of Sofia is administrative center of two independent regions.

Major towns in the region are:

Pernik (91,000) – situated at 25 km to the South of Sofia. It is a typical industrial center – producing coal, electric energy, ferrous metals, machine-tools.

Blagoevgrad (80,000) is situated at 100 km to the South of Sofia. It performs important functions – industrial (machine-building, electrotechnics, textile, shoes, and food industries), administrative, cultural and educational – with two universities: the Southwestern University „Neofit Rilsky” and the American University; the State Folklore Ensemble „Pirin”, Drama Theater. In the town, in an original manner has been restored the old quarter „Varosha”; the

central section, built in two levels, is fascinating with its beauty.

Kyustendil (55,000) is situated on an important crossroad and is famous for its mineral springs (to date, mineral spas – *thermae* – from Roman times are preserved) and its rich collection of paintings in the Art Gallery. The economic structure of the town is industrial-agricultural. Unique with their landmarks are the towns of Sandanski – unique nature-climatic and balneological resort; Melnik, the smallest town in Bulgaria, with attractive architecture; Samokov and Bansko – centers of high-mountain tourism; Koprivshtitsa – with original architecture of the Bulgarian National Revival period, etc. In Sofia Region is the crater of the latest extinct volcano in the lands of Bulgaria, „Kozhouh” (near the town of Petrich), the rocky pyramids near Melnik and the village of Stob. At 25 km to the North of Blagoevgrad, on the highway to Sofia, is the deviation towards the Rila Monastery – a centuries-old cultural and spiritual center. The monastery is on the UNESCO list of World Cultural Heritage.

Economy. The structure of the economy is industrial-agrarian. In the northern part of the region the industrial branches produce over 80 per cent of the gross domestic product. In the towns of Pirdop, Etropole, Pernik, Doupnitsa are built some of the largest enterprises for ferrous and non-ferrous metals, obtention of copper ores, production of pharmaceuticals. In the southern part of the region – the towns of Petrich, Sandansky, Gotse Delchev, Hadzhi-dimovo, the economic structure is agrarian-industrial. Typical branches are vegetable, fruit and vine-growing and livestock breeding. The farmed land in Sofia Region is distributed as follows: 46 per cent cereals, 7 per cent technical crops, 11 per cent fruits and vegetables, and 36 per cent fodder crops. Tourism is developing at high rate. Famous tourist resorts are: for mountain tourism – Borovets in Rila Mountain, Bansko in Pirin Mountain; for climatic and spa treatment – Sandansky, Kyustendil,



Kostenets, Dolna Banya; for cultural tourism – Koprivshtitsa, Melnik, the Rila Monastery.

Near the town of Dragoman (immediately by the border check-point) has been established and operates a duty-free economic zone. The necessary infrastructure, suitable warehousing and communications have been created. Concrete projects for the construction of high-speed transport corridors connecting the Danubian and the Aegean, as well as the Adriatic and the Black Sea coasts are being considered.

### • Plovdiv Region



Territory – 13,585 sq. km (12.2 per cent of the territory of Bulgaria).

Population – 1,220,000 (14.5 per cent of the population of Bulgaria).

Average density of the population – 90 persons per sq. km.

The territory of the region includes 34 municipalities.

The Plovdiv Region occupies the western part of the Upper Thracian Plain (Southern Bulgaria). To the North the boundary follows the ridge of the central part of the Balkan Range and includes a part of the sub-Balkan valleys situated between the Balkan Range and Sredna Gora. To the South it includes part of the large mountain massive of the Rhodopes. Along the valley of the Maritza river and through the sub-Balkan valleys pass the main transport corridors Sofia – Plovdiv – Istanbul and Sofia – Karlovo – Bourgas. The southern border separates the region from the Republic of Greece.

Nature. The variety of the nature complex in the region is great – valleys, vast

plains and mountain massifs cut through by river basins. The climate is influenced by the Mediterranean. Industrial importance have the polymetal ores – lead-zinc (Madan, Roudozem, Smolyan) and copper (Panagyurishte). The soil resources and ample water provide conditions for the development of intensive agriculture. The mineral waters of Hissarya, Velingrad, Devin, Banya, Narechenski Bani are used for balneological treatment. In the central part of the Balkan Range and the Rhodopes high quality timber is being obtained.

Population, towns and culture. Plovdiv Region is distinguished by high demographic potential. The ratio between urban and rural population is 65:35. The urbanisation processes develop slower in comparison with the country's average. The ethnic structure of the population is homogeneous – the Bulgarian population is over 92 per cent. The differences in the confessional structure of the population are greater – the largest share belongs to the Christian community (87 per cent), of Islamic denomination are 8 per cent, Christian-Catholics – 3 per cent, and 2 per cent miscellaneous. The administrative center is the town of Plovdiv (346,330 – second largest city in the country). It emerges as a Thracian settlement situated around seven natural hills (tepeta) on both banks of the Maritsa river. The old part of the town is preserved as an architectural museum complex. Worth visiting are the ancient amphitheater, the ancient stadium and other architectural and archaeological valuables. Plovdiv is an important transport junction in which international highways cross. The town is an academic center with the renowned University of Plovdiv „Paisii Hilendarski“, the Higher Agricultural Institute, the Higher Institute of Food Industry. In Plovdiv there is a unique Archaeological Museum and a big Municipal Library. As of 1894 to date, every year, in the town is held the only international trade fair in Bulgaria. On the territory of the Fair Site a duty-free economic zone is established.

Other towns are: Smolyan (35,000) – a



typical Rhodope town with original contemporary architecture and a History Museum with valuable exhibits; Assenovgrad (52,000) – renowned for its historical fortress Assenova Krepost and closely situated Bachkovo Monastery; Karlovo (27,000) – famous for its history of the Renaissance; Velingrad (26,000) – a popular resort center. In the high mountain resort of Pamporovo an astronomy observatory is built in which systematic astronomic observations are carried out.

**Economy.** The structure of the economy is industrial-agrarian. Plovdiv Region accounts for 60 per cent of the manufactured perfumery and cosmetic products in the country, 22 per cent of the non-ferrous metals, 45 per cent of the produced vegetable and 25 per cent of the fruit cans, 32 per cent of the cotton cloth, 35 per cent of the tobacco products. A specialised branch is the electrotechnical and electronic industry (manufacture of electric motors, electronic elements and apparatuses). Typical for the region are the textile and knitwear industry (Plovdiv and Panagyurishte), as well as the production of shoes (Plovdiv, Peshtera), branded wines (Assenovgrad, Brezovo, Karlovo, Peroushtitsa). The main production directions of the intensive agriculture are vegetable-growing (Plovdiv, Pazardzhik, Peshtera, Assenovgrad) and vine-growing. Structural changes are under way in agriculture related to the increase of the share of private property over the land, new farm cooperatives are being created and new marketplace relations and principles are being established. The region is of national importance in the production of wheat, maize, potatoes, rice, tobacco. The enterprise mix is: 60 per cent cereals, 10 per cent technical, 10 per cent fruits and vegetables, and 20 per cent fodder crops.

**Tourism** is a priority of the region. High mountain tourism (Pamporovo, Velingrad, Batak), cultural tourism (Plovdiv, Smolyan, Karlovo, Kalofer), health tourism (Velingrad, Hissarya) are practiced. Transport has priority importance for the region. The high speed

motorway Trakia and convenient railway transport connect Plovdiv and Sofia.

## • Haskovo Region



Territory – 13,824 sq. km (12.4 per cent of the territory of Bulgaria).

Population – 902,000 (10.7 per cent of the population of Bulgaria).

Average density of the population – 65 persons per sq. km.

The territory includes 27 municipalities. Haskovo Region has typical meridional situation. To the North the boundary follows the Balkan Range, and to the South it coincides with the state border with the Republic of Greece. To the East is Bourgas Region, and to the West – Plovdiv Region. To the North transport and economic connections are effected through two Balkan passes – Shipka and the Pass of the Republic. To the South international traffic uses the two frontier check-points: at Kapitan Andreevo (with Turkey), and Svilengrad – Ormenion (with Greece).

**Nature.** The relief in the northern part of the region is high mountainous (the Balkan Range), in the central part (the Upper Thracian Lowland) it is plain, and the Eastern Rhodopes are characterised by large evennesses and deep valleys (of the rivers Arda, Varbitsa, Kroumovitsa). Economic importance have the lignite deposits (Radnevo, Galabovo, Dimitrovgrad), the polymetal ores near Madzharovo and Topolovgrad, and the non-metalliferous minerals (perlite and trass) near Kardzhaly, Dzhebel, Ivaylovgrad. The climate is variable – from moderate continental to the North to transitional



Mediterranean to the South. The water resources of the bigger rivers Arda, Maritsa and Toundzha are used for water supply, power generation and irrigation. The mineral springs near Stara Zagora, Haskovo and Pavel Banya are of balneological importance.

Population, towns and culture. The population of Haskovo Region is with diverse ethnic and religious structure. In the southern part of the region – Kardzhaly, Ardino, Dzhebel, Momchilgrad, live compact groups of population from the Turkish ethnic group. The ratio between urban and rural population is 60:40. Part of the population of Kardzhaly, Ardino, Dzhebel, Kroumovgrad emigrated in Turkey after 1990.

Haskovo (82,000) is the administrative center situated in the middle of the region. It is an important road and railway junction. In the town there is a Higher School – an affiliate of the University of National and World Economy in Sofia.

The biggest town in the region is Stara Zagora (151, 000), picturesquely situated at the foot of the hill „Ayazmoto”. It is a renowned academic and cultural center – with Higher Schools of Agronomy and Veterinary Medicine, Thracian University, History Museum, opera, theater. At 35 km north of Stara Zagora is the town of Kazanlak (60,000) in which is discovered a well preserved ancient Thracian Tomb with unique frescoes. In the Kazanlak valley the famous oil-yielding rose is grown from which is obtained the precious rose oil. At the threshold of the important Shipka Pass, which connects the region with North Central Bulgaria, is situated the town of Shipka (1,800), related to the new history of Bulgaria.

At 55 km south of Haskovo is the town of Kardzhaly (48,000), in which there is a Teacher Training College. In the valley of the Maritsa river chain-wise are situated the small towns of Harmanly (21,000), Lyubimets (8,000) and Svilengrad (19,000).

Economy. Haskovo Region has 11 per cent of the total number of employed in

the national economy. The structure of its economy is industrial-agrarian. Of nation-wide importance is the development of energetics (coal mining and production of electricity) centered in Radnevo, Galabovo and Dimitrovgrad. 30 per cent of the electric energy of Bulgaria is generated here. Other branches of the economy are chemical industry (Dimitrovgrad and Stara Zagora) specialised in the production of nitrogen fertilizers (33 per cent of the national production), electronics (Stara Zagora), machine-building (Haskovo, Kardzhaly). A typical branch is textile industry (Kazanlak and Haskovo – woolen textile, and Svilengrad and Harmanly – natural silk).

Nature predetermines specialisation of agriculture. It is plant-growing and livestock-breeding. The enterprise mix is: 63 per cent cereals, 16 per cent technical cultures, 7 per cent vegetables, 5 per cent orchards and vine-yards and 9 per cent fodder crops. Around Haskovo and Stara Zagora cotton, vegetables, cereals are grown, and to the South – Ardino, Dzhebel, Kroumovgrad, Madzharovo – high quality oriental tobacco. In livestock breeding most developed is pig- and cattle-breeding in the plains, and sheep-breeding in the hilly and semi-mountainous regions.

Transport is well organised. It is envisaged to build a continuation of the railroad from the village of Podkova to the towns of Komotini and Alexandroupolis in Greece. In the region of Svilengrad a duty-free economic zone is established.

## • Bourgas Region





Territory – 14,724 sq. km (13.3 per cent of the territory of Bulgaria).

Population – 849,000 (10.1 per cent of the population of Bulgaria).

Average density of the population – 58 persons per sq. km.

The territory is divided into 21 municipalities.

Bourgas Region occupies the southeastern part of Bulgaria. The eastern border with the Black Sea ensures an opportunity for the development of tourism and shipping. The southern border with the Republic of Turkey is crossed by the panoramic road Bourgas – Malko Tarnovo – Istanbul. Opening of a new border check-point with Turkey between the settlements of Lessovo and Hamzabeyli is forthcoming. To the North the boundary follows the ridges of the eastern part of the Balkan Range, and to the West is Haskovo Region.

Nature. Nature is with well expressed transitional character, climate is changing from moderate continental to subtropical. The relief is varied. Flatlands and large river valleys, suitable for the development of intensive agriculture prevail. The Black Sea coast with its wide sand beaches, convenient scenic bays, typical dunes – favours the development of tourism and recreation. The water resources are limited. Of balneological importance are the mineral springs near Bourgas, Sliven, Straldzha, Stefan Karadzhovo. In the southern part of the region there are nature reserves with rare plant species and other natural phenomena preserved.

Population, towns and culture. Since 1990 the population of the region has been decreasing. The ratio between urban and rural population is 68:32. In the northern part of the region, along the valley of the Louda Kamchiya river live large groups of Turkish-language population. The number of towns in the region is 26.

An administrative and cultural center is the town of Bourgas (199,869), situated around a wide bay. The town is an academic center (Free University, Higher School of Chemistry and Technology, a Teacher Training College) with a

renowned theater and philharmonic orchestra. Annual events are the Flower Exhibition (May) and the International Folklore Festival. The maximum distance to the most western town in the region – Nova Zagora, is 150 km. Sliven (107,000) is 110 km away from Bourgas. It is here that the beginning of industrial textile production in Bulgaria has been put in 1834. At 30 km to the West of Sliven is the town of Yambol (91,000). Sliven and Yambol are old towns of the Bulgarian National Revival period with rich History and Ethnographic Museums. Along the Black Sea coast are situated the towns of Nessebar (8,000) – with rich cultural and architectural heritage, Pomorie (14,000) – a well-known balneological center, Sozopol (4,500) – with specific architecture and a renowned History Museum, Primorsko (2,200). These towns have developed as seaside resorts. Very popular, internationally renowned are the tourist resorts of Sunny Beach (Slanchev Bryag) – with its international Pop-Music Festival „The Golden Orpheus”; the Holiday Villages of Elenite, 5 km to the North of Sunny Beach; and Dyuni near Sozopol. Economy. Industry dominates in the structure of the economy in the northern part of the region, while agriculture and food industry prevail in the southern part. The biggest Bulgarian oil refinery „Neftochim” is near Bourgas. Besides gasoline, technical oils, ethylene and other products, here are produced 75 per cent of the plastics and synthetic resins and 70 per cent of the artificial fibres in the country. In Bourgas there is a metallurgy enterprise (for ferrous metals), machine-building plants, a big timber-processing enterprise, many companies of the food industry. Sliven is the biggest textile center (35 per cent of the woolen textile) with old traditions, electrotechnical and machine-building industry. Food industry is typical for Karnobat, Yambol, Aytos, Elhovo.

There are favourable soil and climatic conditions for the development of agriculture. The specialisation of the agriculture is livestock-breeding and plant-



growing. Among the livestock-breeding branches, priority have sheep-, cattle-, swine- and poultry - breeding. In the enterprise mix dominate cereals with 65 per cent, 15 per cent technical cultures, 3 per cent vegetables, 8 per cent fruits and vineyards, and 9 per cent fodder crops. The region produces 1/3 of the barley in the country, 16 per cent of the fruits (apples, peaches, cherries), 15 per cent of the sunflower, 14 per cent of the grapes, etc.

The port of Bourgas is the second largest Black Sea freight handler (after Constantia - Romania). There are special quays for bulk cargo, an oil terminal, specialised ports for timber and livestock. In 1989, in immediate proximity to the harbour, a duty-free economic zone was established. It performs the functions of a transport terminal for East-West trade.

Tourism brings substantial income to the population of the region. The beauty and the attractiveness of the Southern Bulgarian Black Sea coast are unique.

### • Varna Region



Territory - 11,929 sq. km (10.7 per cent of the territory of Bulgaria).

Population - 908,000 (10.8 per cent of the population of Bulgaria).

Average density of the population - 76 persons per sq. km.

The region is divided into 30 municipalities.

Varna Region occupies the eastern part of the Danube Plain, widely open to the Black Sea. To the North the region borders with the Republic of Romania, at Dourankoulak there is a road border

check-point, and the railway Kardam - Medzhidiya secures connection between the two neighbour countries. To the West is Rousse Region, and the southern boundary passes along the ridge of the eastern part of the Balkan Range.

**Nature.** The relief of the region is flatland with excellent conditions for intensive agriculture. Of economic importance are the manganese ores (near the village of Obrochishte), the production of salt (near Provadiya), of limestone (near Devnya), etc. The climate is moderate continental but the sea exerts influence over a 40-kilometer strip in the interior of the region. Rainfall is less than the country's average and the water resources are insufficient. Along the valleys of the Batova and Kamchiya rivers rare plant species have been preserved.

**Population, towns and culture.** The geographical distribution of the population in the region is characterised by several peculiarities. 40 per cent of the population is concentrated in the agglomeration Varna - Beloslav - Devnya - Provadiya. In the northern and the southern parts of the region live Turkish-language population with characteristic high birth rate. The urban-rural population ratio is 71:29 which reveals a higher degree of urbanisation in the region.

In Varna Region the number of towns is 23. The administrative and cultural center is the town of Varna (304,500). The town emerges in ancient times around a convenient sea bay. In its development Varna has always been performing administrative, commercial, cultural and defence functions of national importance. Industry dominates in the economic structure of the town - car-building, electrotechnics, textile, and food industry. In Varna there is a Higher Institute of Economy, Higher Technical School, Higher Institute of Medicine, Institute of International Tourism, etc. The town disposes of a wonderful garden-park at the sea coast, a Museum-Aquarium, Dolphinarium, as well as Navy Museum and Planetarium. Well



famous are the theater and the opera. To the North, the villa zone of Varna connects itself with the seaside resorts „Svety Konstantin i Elena” and Golden Sands (Zlatny Pyassatsy).

At 50 km to the North of Varna is the second largest town in the region – Dobrich (105,000). It is situated in the center of the historical-geographical region Dobroudzha – the „Granary of Bulgaria”. A unique ethnographic complex in Dobrich shows the lifestyle of the Bulgarians in Southern Dobroudzha. At 85 km to the West of Varna is the third largest town in the region – Shoumen (96,000), situated at the foot of the beautiful Plateau of Shoumen. A compact group of Turkish-language population lives in the town. The town is an industrial center and an important transport junction. There is a Higher Teacher Training Institute there. The towns of Pliska and Veliky Preslav, not far from Shoumen, are old capitals of Bulgaria. Precious monuments of the ancient Bulgarian state are preserved there.

**Economy.** The ratio between industrial and agricultural production is 75:25. Of national importance are the chemical works in Devnya („Sodi” AD) producing mineral fertilizers, soda ash, plastics; in Shoumen and the town of Smyadovo – for the production of household chemicals. In 1978 began the regular exploitation of the ferryboat complex Varna – Ilichevsk. Machine-building, light, and food industries are structure determining branches in the economy of the town of Dobrich. Transport machine-building, production of aluminium profiles, furniture, and food industries delineate the economic profile of Shoumen. The towns of Novy Pazar, Kaspichan and Beloslav manufacture 35 per cent of the glass, porcelain and faience ware in the country. Specialising industrial branch in the region is food industry, large portion in which have local produce, flour, wine and brandy.

**Agriculture specialises in growing cereals and technical cultures.** The enterprise mix is: 65 per cent cereals, 12 per

cent technical, 3 per cent vegetables, 8 per cent fruits and viticulture, and 12 per cent fodder crops. The average yields of these are among the highest in the country. Priority livestock-breeding branches are sheep-, poultry- and swine-breeding. Transport is well developed – maritime (ports of Varna and Devnya are connected with 30-kilometer sea canal), road and air. Priority branch in the region is tourism with excellent conditions for seaside tourism and recreation throughout the whole year. Here are some of the most famous Bulgarian seaside resorts: Golden Sands (Zlatni Pyassatsi), Sveti Konstantin i Elena, Riviera, Albena, Roussalka.

### • Rouse Region



**Territory** – 10,842 sq. km (9.8 per cent of the territory of Bulgaria).

**Population** – 763,000 (9.1 per cent of the population of Bulgaria).

**Average density of the population** – 70 persons per sq. km.

The territory is divided into 27 municipalities.

Rouse Region occupies the eastern part of the Danube Plain and of the Fore-Balkan Range. To the North the boundary passes along the Danube. Between Rouse and the Romanian town of Giurgiu is the only Bulgarian bridge over the Danube through which road and railway connections with Romania and other countries are effected. Ferryboat connections exist between the neighbouring towns of Silistra and Calaras, and Toudra and Oltenita.

**Nature and resources.** The relief of the region is flatland, and in the southern part – hilly and semi-mountainous. Of



economic importance are the deposits of non-metalliferous minerals. Near the towns of Vyatovo and Senovo kaolin is produced, near Razgrad – quartz sands, near Ispirih – fire-clay, near the village of Pirgovo – limestones, etc. The climate is moderate continental. In winter cold air masses push in from the North causing ample snowfalls. In summer the temperatures reach 30-35 degrees Centigrade. The water resources in Rousse Region are limited. The soils are black-earth, and in the southern part – grey forest, suitable for growing cereals and technical cultures, for viticulture and fruit-growing. On the territory of the region there are nature reserves (around Razgrad, to the South of Rousse, etc.), preserving unique forest massifs and rare plant species.

Population, towns and culture. Since 1990 the population of the region is decreasing. Large groups of the Turkish – language population left the country. The average density of the population in Rousse is 425 persons per sq. km, while in the eastern part it is 17-18 persons per sq. km. The ratio between the urban and the rural population is 55:45 which is below the country's average. About 25 per cent of the Turkish-language population of Bulgaria live on the territory of Rousse Region, and 1/3 confess Islam. There are 22 towns in Rousse Region. The administrative, cultural and business center is the town of Rousse (168,609) situated on the bank of the Danube river. In cargo turnover Rousse is the biggest among the Bulgarian ports on the Danube. The importance of the town will grow as a weighty port along the transeuropean water-way – the Rhine – Main – Danube canal. Rousse is an academic center (with Technical University), with a renowned opera, theater and symphonic orchestra. The central part of the town is with preserved old architecture, interesting landmarks and museums (the only Museum of Transport in Bulgaria is there). The second biggest town in the region is Silistra (48,000). It is the eastern-most river port of Bulgaria. In the past the town has performed defence functions,

and now it is a modern contemporary town with original architecture and developed industry. There is a Teacher Training College in Silistra. Near the town has been discovered and preserved an ancient Roman vault. Targovishte (43,000) and Razgrad (42,000) are at 35 km from each other and perform important functions in regional economic and cultural development.

Economy. The structure of the economy is industrial-agrarian. Industry produces about 2/3 of the gross domestic product of the region. Priority branches of industry are: machine building – in Rousse, Silistra, Targovishte, and smaller enterprises and firms in Toutrakan, Doulovo; chemical industry – Rousse, Byala, Razgrad; porcelain-faience and glass industry – Ispirih, Razgrad; timber-processing and furniture – Silistra, Rousse, Razgrad; food industry – Rousse, Targovishte, Silistra, Razgrad, Popovo. Positive influence over the industrial development of the region exerts also the duty-free economic zone, established in 1987 near Rousse. After 1990 in the industrial structure of the region structural changes are taking place – privatisation of state enterprises, increasing share of the private sector in the total volume of industrial output, changing production and technological structure of enterprises and firms, increasing share of foreign investment and number of joint ventures.

Agriculture is second in importance branch in the region. Cereals and technical cultures, vegetables, fruits and vines are grown.

Rousse Region produces 2/3 of the apricots in the country, 1/3 of the soya, 1/4 of the sugar beet and sunflower, 1/5 of the wheat and maize. The grape wines produced are distinguished by their high quality and are internationally renowned; this is 15 per cent of the national production.

Transport is well developed. Receipts of the region from the development of tourism grow – the Rocky Monasteries along the valley of the Roussensky Lom river (near the village of Ivanovo), the interesting biosphere reserve – the lake



of Srebarna (to the West of Silistra), balneological tourism – Targovishte, etc.

## • Lovech Region



Territory – 15,150 sq. km (13.8 per cent of the territory of Bulgaria).

Population – 999,000 (11.9 per cent of the population of Bulgaria).

Average density of the population – 66 persons per sq. km.

The territory is divided into 32 municipalities.

Lovech Region occupies the central part of Northern Bulgaria. It is a part of the ancient historical-geographical region Mizia. The northern boundary passes along the Danube, and the southern follows the ridge of the Central part of the Balkan Range. The communications with Southern Bulgaria are effected through the three major passes – Troyan, Shipka, and the Pass of the Republic. To the East is Rousse Region, and to the West – Montana Region.

Nature and resources. Nature of the region is characterised by large variety. The relief in the northern part is prevailingly flatland which is a favourable condition for the development of intensive agriculture. To the South it passes into semi-mountainous (the Fore-Balkan Range) and mountainous (in the central part of the Balkan Range) with proper conditions for development of fruit-growing, livestock-breeding and tourism. In the Region of Pleven deposits with small quantities of natural oil and gas have been found. Of economic importance are fire-clay (Pleven) and limestone (the Fore-Balkan Range), etc. The climate is also distinguished by

certain zonality – in the northern part of the region it is moderate continental, and in the southern – mountainous (over 1,000 m above sea-level). The water resources are relatively good. The region is crossed by Yantra, Rossitsa, Vit and Osam rivers, the waters of which are used for household water-supply and irrigation. The soil resources (black earth, grey forest soils) are suitable for developing intensive agriculture.

Populations, towns and culture. During the last years the population of Lovech Region is decreasing. Its distribution between towns and villages is, respectively, 65:35. Its structure is homogeneous – about 95 per cent are Bulgarian, the Turkish and Gypsy ethnical groups comprise only 5 per cent.

The settlements network is formed of 40 towns, 517 villages, 121 hamlets and 283 neighbourhoods. Hamlets and neighbourhoods are typical settlement forms for the southern mountainous part of the region.

The administrative center of the region is the town of Lovech (49,000). It is an old town with important transport and geographical situation. The old part of the town („Varosha”), the roofed bridge over the Osam river, the impressive monument of Vassil Levski, the interesting Museum of History are well restored and preserved. As of 1991 there is an affiliate of the University of National and World Economy, Sofia, there. Pleven (130,000) is the biggest town in the region. It is connected with the liberation of the country from Ottoman Yoke. Hence, in the town there are many museums – „Panorama”, „Skobelev Park”, History Museum, etc. Gabrovo (76,000) is known from the time of the Bulgarian National Revival. An old industrial town situated in the valley of the Yantra river, the town is at the entrance (and the exit) of the important Shipka Pass. Veliko Tarnovo (68,000) is one of the most beautiful Bulgarian towns. Capital of Bulgaria in 11th through 14th century, it is renowned with its unique historical monuments and museums, with its unrivalled architecture and beauty. The town is an acad-



emic center – the University „Svety Kiril i Metody”, Higher Military school, etc. Cultural landmarks in the region are also The House of Humour and Satire – Gabrovo, the Ethnographic Open Air Museum „Etara” – near Gabrovo, the village of Bozhentsy – original architecture, Troyan Monastery, the beautiful caverns „Saeva Douпка” and others.

**Economy.** The economic structure of the region is distinguished by a greater heterogeneity. The biggest share in the formation of the gross domestic product of the region has industry – over 60.0 per cent in 1994. Priority branches are machine-building, electrotechnical and electronic industry with centers Veliko Tarnovo, Gabrovo, Lovech, Troyan; chemical and oil processing industry – Pleven, Veliko Tarnovo, Gabrovo; production of building materials – Pleven, Sevlievo, Gorna Oryahovitsa; textile industry – Gabrovo; knitwear industry – Pleven, Gabrovo, Tryavna; food industry – Svishtov, Gorna Oryahovitsa, Pleven, Veliko Tarnovo. Timber processing and production of furniture is a traditional branch in the region with main centers Lovech, Tryavna, Troyan, Teteven, Nikopol. There are old traditions in fir processing and production of modern fur and leather clothes and articles. Near Gabrovo (15 km to the South) has been restored the interesting Ethnographic Museum in the open „Etara” in which old crafts, typical for the region in the past, are preserved. 15 km to the East of Gabrovo is the village of Bozhentsy, famous for its original architecture.

**Agriculture** is under the strong influence of the soil and climatic conditions of the region. The northern and central parts are specialised in cereals – wheat, maize; technical cultures – sunflower, sugar beet, and vegetables. In the southern hilly and semi-mountainous part fruits are grown (plums, pears, apples), vines, raspberries, strawberries. The enterprise mix is: 55 per cent cereals, 16 per cent technical, 5 per cent vegetables, 12 per cent fruits and vineyards, and 12 per cent fodder crops. Lovech Region produces 87 per cent of the electric

motors, 35 per cent of the cement, 61 per cent of the sugar, 20 per cent of the machine-tools, 16 per cent of the meat products, 17 per cent of the grape wines, and so on. For the economy of the region priority branches are also tourism and transport. Cultural tourism is being developed – Veliko Tarnovo, Pleven, Tryavna, Bozhentsy; spa tourism – the village of Voneshta Voda; recreation – Tryavna, Teteven, Troyan, Apriltsy.

## • Montana Region



**Territory** – 10,607 sq. km (9.6 per cent of the territory of Bulgaria).

**Population** – 621,000 (7.4 per cent of the population of Bulgaria).

**Average density of the population** – 59 persons per sq. km.

The territory is divided into 33 municipalities.

The region occupies the northwestern part of Bulgaria. The northern boundary along the Danube river separates it from the Republic of Romania. Between the towns of Vidin and Kalafat, and Oryahovo and Beket constant automobile and railway ferryboat connections are maintained. To the West the Region borders the Republic of Serbia. There are border check-points Bregovo – Negotin and Koula – Zajcar. To the South is Sofia Region, and to the East – Lovech Region. The shortest distance between the Danubian and the Aegean coasts is along the road Lom – Petrohan – Sofia – Blagoevgrad – Koulata – Salonica.

**Nature and resources.** The relief of the region is varied – flatland, hills and mountains. Deposits of small resources of ores and minerals are discovered.



Ferrous (Martinovo) and copper ores (Chiprovtsi and in the region of Vratza) are being produced. Of economic importance are limestones (the Gorge of the Iskar river), gypsum (the village of Koshava, district of Vidin). The territory of the region falls in the moderate continental and mountainous climatic zone. Important factor for the economy are the waters of the rivers Iskar, Ogosta, Tsibritsa and Lom. They are used for industrial and household needs. Social and balneological importance have the mineral springs around Varshets. The soils – black-earth and grey forest – are suitable for growing different cultures – cereals, technical, fruits, fodder crops.

Population, towns and culture. The population of the region throughout the last years is decreasing. The average density is one of the lowest in the country. The ratio between urban and rural population is 58:42. The urbanisation processes in the region are developing slower than the country's average. A characteristic feature of the population is its worsened structure by age. About 1/3 of the population is above active age. The ethno-religious structure is homogeneous – 99 per cent are Bulgarians confessing Orthodox Christian religion. In the remaining 1 per cent the largest number are Gypsies.

The towns in the region are 24. Central functions in the economic, political and cultural life of the region performs the town of Montana (53,000). There is a Higher School, affiliate of the University of National and World Economy, Sofia. Vratza is the biggest town in the region (77,000). It is picturesquely situated at the northern foot of the Balkan Range of Vratza on an important crossroad. Vratza is a typical industrial town. In the vicinity of the town is the beautiful cave „Ledenika”. Vidin (64,000), situated on the right bank of the Danube, it is a strategic transport junction. A ferryboat complex is built there connecting the town with the Romanian town of Kalafat. A duty-free economic zone has been established in Vidin. Lom (31,000) a large port on the Danube, it takes the bulk of cargo destined to the capital. In

Vidin, the Fortress-Museum „Baba Vida” is preserved, and near the town is the well-known cave „Magourata”. Near the town of Belogradchik is situated the beautiful natural phenomenon „Belogradchishky Skaly”.

Economy. The economy potential of the region is formed by three major branches – industry, agriculture, transport. In the structure of the gross domestic product of the region the largest share has industry (55 per cent). A priority branch is power engineering. At the Danubian coast at the town of Kozlodouy is the only nuclear electric power station in the Balkans which provides 43 per cent of the electric energy of Bulgaria. The nuclear electric power station „Kozlodouy” works under a stable and safe regime and rigid control. The limited energy generating resources of Bulgaria impose the development of nuclear energetics. Specialising industry branches are machine-building (Vratza, Lom, Montana), chemical industry (Vratza, Vidin Koula), textile industry (Vidin, Montana, Lom, Vratza), production of building materials, furniture, etc. The natural and climatic conditions create favourable possibilities for the development of intensive agriculture. The production per employed in the branch (in value and in produce) is higher than the country's average. The structure of the agriculture is plantgrowing-stockbreeding. The enterprise mix is as follows: 58 per cent cereals, 15 per cent technical, 4 per cent vegetables, 10 per cent orchards and vine-yards, and 13 per cent fodder crops. The region holds 9 per cent of the wheat produced, 7 per cent of the sunflower seeds, 4 per cent of the maize. The private sector provides about 50 per cent of the agricultural produce. Livestock-breeding is specialised in breeding sheep, swine, poultry.

Transport will be exerting more and more influence on the social-economic development of the region. It is envisaged to build a highway Lom – Montana – Sofia – Blagoevgrad – Koulata – Salonica and a second bridge over the Danube. Traffic and cargo turnover growth will increase.



# BULGARIAN HOLIDAYS

## OFFICIAL HOLIDAYS

**January 1** NEW YEAR'S DAY

**March 3** NATIONAL DAY. The day of the liberation of Bulgaria from Ottoman yoke /1878/. On this day the Bulgarian people pay homage to the heroism of the Russian soldiers and the Bulgarian volunteers, who fought in the Russian-Turkish war 1877-1878, that put an end to the five centuries of foreign rule.

**April 14 & 15** THE RESURRECTION OF CHRIST – EASTER

**May 1** INTERNATIONAL DAY FOR SOLIDARITY WITH ALL WORKING PEOPLE

**May 24** THE DAY OF BULGARIAN EDUCATION, CULTURE AND SLAVIC SCRIPT. The holiday is an expression of the Bulgarians' gratitude to the great deed of the Slavic enlighteners St. St. Cyril and Methodius, that created and disseminated the Slavic alphabet in the 9th century.

**November 1** THE DAY OF THE LEADERS OF THE BULGARIAN NATIONAL REVIVAL. The holiday is commemorated to the deed of the men of letters, enlighteners, fighters for national liberation, who have preserved the national spiritual heritage throughout the centuries. As of 1922 it is a nation-wide holiday. After its ban in 1945, its celebration was resumed in 1990. In December 1995 the 37th National Assembly declared it an official holiday.

**December 24, 25 & 26** THE NATIVITY OF CHRIST – CHRISTMAS

## POPULAR FEASTS AND CUSTOMS

**February 14** VINE-GROWER'S DAY. This original ritual celebration, comes from the ancient Thracians and is called "Triffon Zarezan". It is connected with the resumption of work in the vineyards. It is celebrated officially by vine-growers and producers of wine.

**March 1** MARTENITSI. On this day the Bulgarians give to their relatives martenitsi – tasseled red and white thread /the white – symbol of health and strength, and the red one – of longevity/, with wishes for health and happiness. This original popular rite is connected with the coming of spring.



**March 8** INTERNATIONAL WOMAN'S DAY

**Late March** MUMMER'S CELEBRATIONS – an ancient popular customs. Dressed in colourful costumes men with masks on their heads, perform ritual dances with which they protect the stockmen and men of agriculture from evil spirits.

**April 1** DAY OF HUMOUR. On this day Gabrovo /Northern Bulgaria/ becomes the venue of humour from within the country and from abroad. Carnival processions , performances, exhibitions of cartoons and satire plastic arts, movie festivals, etc. are being organised.

**May 6** GERGYOVDEN. The day of St. George the conqueror is celebrated by the Bulgarian army. After a 45 year's oblivion it was restored in 1993 when it became an official celebration of the Bulgarian soldier. The day is celebrated by the Bulgarian farmers.

**June 1** INTERNATIONAL DAY FOR CHILDREN'S PROTECTION. On this day the Bulgarian children make use of many privileges – free access to the cinemas and theaters, free transport, carnivals are organised, competitions for best painting, sports competitions, etc.

**June 2** THE DAY OF BOTEV AND THOSE THAT SACRIFICED THEIR LIVES FOR THE FREEDOM AND INDEPENDENCE OF BULGARIA. At 12 o'clock on this day for one minute the whole people stand in silence in memory of the heroes.

**Early June** ROSE CELEBRATION. This original celebration is at the time of the flowering of the oil-bearing roses, cultivated in the so-called Rose Valley, near the town of Kazanlak /central Bulgaria/. At dawn girls and boys dressed in national costumes, first begin the picking of the rose petals, from which the rose oil is made. The ritual is accompanied by folk songs, dances and merry making.

**December 8** THE DAY OF THE BULGARIAN STUDENTS



# BULGARIA AND THE WORLD



Greek President Kostas Stephanopoulos and Bulgarian Prime Minister Jean Videnov during the official visit of the Greek President to Bulgaria.



Presidents of the Republic of Bulgaria and the Republic of Turkey Zhelyu Zhelev and Suleiman Demirel discussed in Sofia the construction of a transport corridor between the Black Sea and the Adriatic Sea, membership of Bulgaria in NATO, and possibilities for Turkish investments in Bulgaria.



During his official visit to Bulgaria, Spanish Prime Minister Felipe Gonzales met representatives of the Bulgarian Holy Synod.





Convoy of arms and equipment for UN peace-keeping forces in former Yugoslavia crossed the country with the consent of the National Assembly.



Representatives of the Atlantic Club in Bulgaria at a visit with the President of the Republic of Bulgaria Zhelyu Zhelev before their expedition to the Antarctic.





During his visit to Sofia, Russian Patriarch Aleksey and Bulgarian Patriarch Maxim served liturgy in Alexander Nevsky Memorial Church.



At the beginning of 1995 Acad. Blagovest Sendov of the Parliamentary Group of the Democratic Left was elected Chairman of the 37th Ordinary National Assembly.



During the unprecedented water crisis of the capital, for a record time was built an auxiliary water-main Gzherman - Skakavitsa which brought new quantity of water from Rila Mountain to the Iskar Dam.



## BULGARIAN EVERYDAY LIFE



Every day guests of the Bulgarian capital visit Alexander Nevsky Memorial Church.

The second in Bulgaria McDonald's opened its doors at Slaveykov Square in Sofia.

Until recently the Mausoleum of Georgi Dimitrov, the most prestigious building in the center of Sofia was an object of various passions and attitudes.







Together - the spring and the  
winter of life.

Yesterday's heroes - new times,  
new values.

In October 1995 the first motor  
carriage of Sofia Metro started on  
a 7-kilometer trial voyage. The  
building of the Metro began in  
1979 and continued throughout  
the mandates of 7 mayors.



Something unknown until recently  
- contract murders among criminal  
elements, gathered hundreds and  
thousands at gorgeous funerals.





Stefan Sofiyanski  
- the new Mayor  
of Sofia, declared  
Man of the Year.

Miss Bulgaria '95  
- 20 years old  
Evgueniya  
Kalkandzhieva  
ranked sixth in the  
world at the final  
competition for  
Miss World in  
Sun City,  
Republic of South  
Africa.

Popular singer  
Dobrin Vekilov -  
Doni - in token of  
protest against  
growing crime,  
founded a public  
committee  
„No to Fear“.



## FACES OF THE YEAR

In shining wed-  
ding garments, the  
first lady of  
Bulgarian rock -  
Milena, stepped  
on her homeland  
after her marriage  
to the Englishman  
Robert Page  
Roberts and 2  
years of living in  
London.







Bulgarian „skin heads“ - horror to Gypsies, Muslims, Arabs... „We are not Nazis but nationalists“, they say.

Bulgarian rockers - as everywhere in the world.

Youth brass bands are a patent of most high schools in Bulgaria.



## THE YOUNG



The church came back to the army, too - a new levy of soldiers swear allegiance.



World famous  
opera singer  
Rayna  
Kabaivanska  
celebrates her 50  
year anniversary  
with a jubilee  
concert in the  
National Palace  
of Culture in  
Sofia.

## CULTURE



Painter Emil  
Simeonov, a dis-  
ciple of Stephen  
Spielberg, opens  
an exhibition of  
his works in a  
gallery in Sofia.







Folk choir „The Mystery of Bulgarian Voices“ continues to proliferate abroad the fame of Bulgarian folk music.

Bulgarian opera singer Nikola Gyuzelev more frequently sings abroad, more rarely - in his home country.

In the summer, in Plovdiv, the Italian movie star Ornella Muti was shooting the black comedy „Murder Office“ of the Frenchman Lionnel Coppe.

A woodcarver works in the open in the center of Sofia.



Every year in the town of Pernik an international folk festival of masquerade and carnival plays and customs is held. „Koukery“ demonstrate customs and rituals from all regions of Bulgaria.

Folklore attracts the young people of Bulgaria.

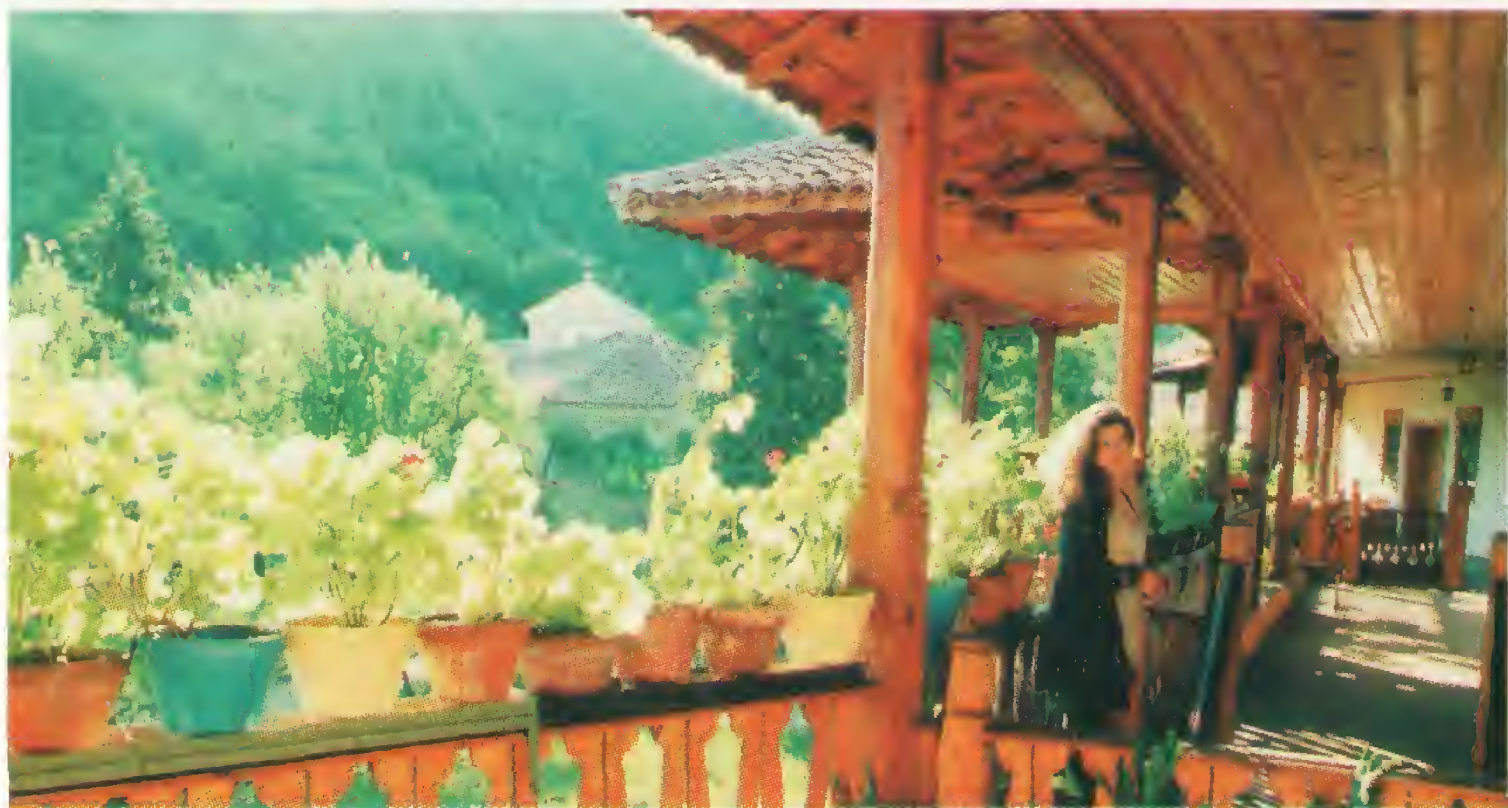






Amateur ensemble of  
Goroublyane, Sofia.

Old Bulgarian houses  
give coziness and beauty.



National folk Rally in  
Koprivshtitsa.





The Bulgarian football players, led by their star Hristo Stoichkov, are for the first time among the finalists of Euro '96 in England.



SPORT

210-centimeter high volleyball star Lyubomir Ganev.





20 year old Bulgarian tennis player Magdalena, the third of the Maleevi family, reached the fifth place in the world rank list.

Only 205 days after giving birth of her son Nikolay, the best Bulgarian athlete Stefka Kostadinova won the world title in high jump in Goteborg.

Valentin Yordanov - seven times world champion in free style wrestling in category up to 52 kg.

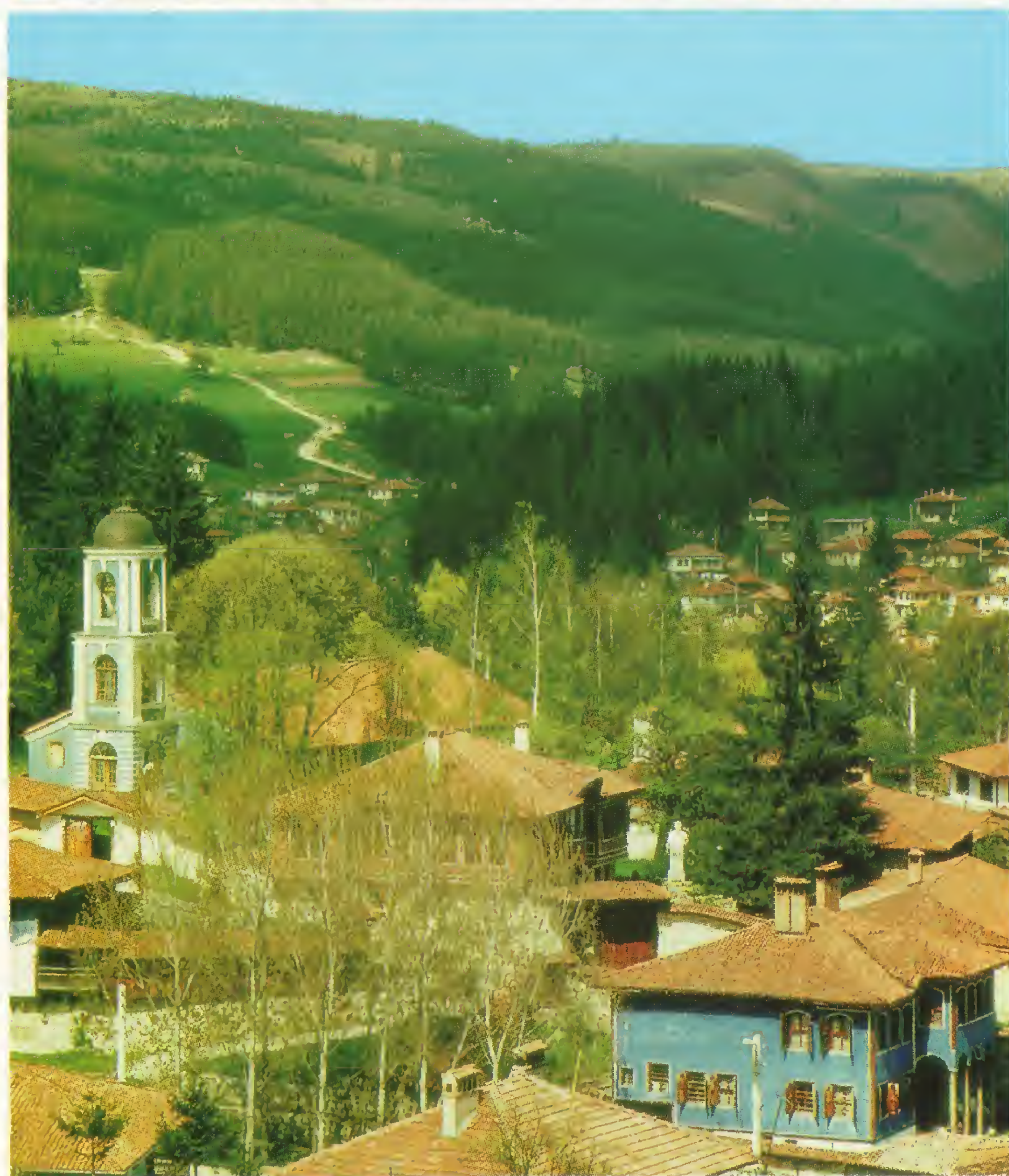
Shot Number 1 in the world for 1995, Vessela Lecheva has proved her photogeneity in numerous offers for a model.

Nikolay Bouhalov continues to be Number 1 in canoe; throughout the year he won two world titles and became holder of the newly-established World Cup.





# TOURISM



Sand pyramids  
near the village  
of Stob (District  
of Blagoevgrad).

Koprivshtitsa -  
a town-museum  
with unique  
architecture  
and atmosphere.





Gathering of  
storks is proof  
that there are  
ecologically  
clean places  
in Bulgaria



Winter resorts  
offer a lot of  
snow and sun.





Until recently the Iskar Dam was a place of recreation for the inhabitants of Sofia, now the water is insufficient.



Barefooted on live coals - „Nestinarski Tantsi“ - a rare tourist attraction.

Black Sea resort of Albena.









